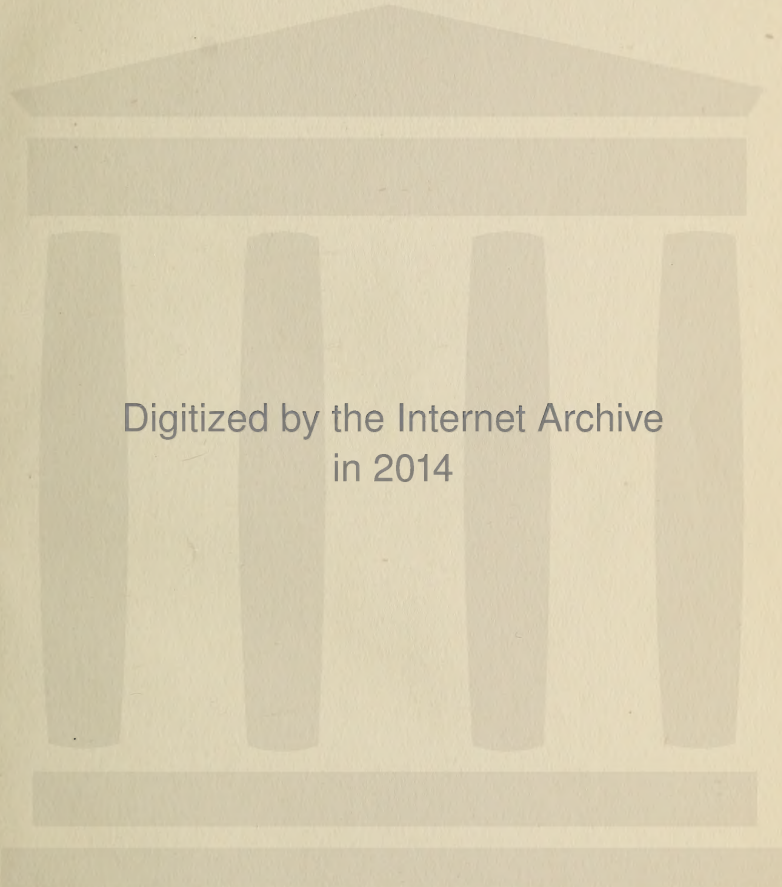


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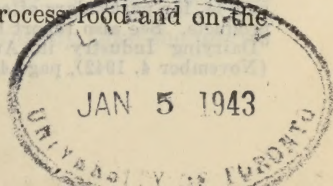
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FOOD PRODUCTION IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, November 2, 1942.—In April, 1942, there was created an Australian Food Council under the Chairmanship of the Minister for Supply, with the Minister for Commerce as deputy-chairman, to be the supreme authority in Australia for advising the Government on all vital matters relative to food supplies to meet service and civil needs. Previously the appointment of a Controller of Defence Foodstuffs and the creation of Defence Foodstuffs Advisory Committees in the various states effectively provided an organization for securing the food requirements of the fighting services. Developments in the Pacific zone, however, and problems relating to production, manpower, distribution and export made it desirable that a more complete authority be set up which would co-ordinate the activities of the defence foodstuffs organization with those of the several bodies that had been dealing with matters relating to the production, distribution and export of foodstuffs for civilian consumption. The Controller of Defence Foodstuffs, under the direction of the Council, would continue to handle defence food supply, and a special branch of the Commerce Department was to be responsible for civilian needs.

The purpose of the Commonwealth Government, through the Australian Food Council, is to feed all allied armed forces in the southwest Pacific war zone, feed the Australian civil population to the extent necessary to maintain full health and strength for a total war effort, and take its full share of responsibility for feeding the people of allied nations outside the Pacific war zone to the limit of its capabilities, based on its capacity to produce and process food and on the amount of shipping that is made available.



EXPORT SITUATION ALTERED

During the two and a half years prior to the establishment of the Australian Food Council, wartime conditions drastically altered the outlook for many Australian primary industries dependent on export markets. Fruit-growers and wheat-farmers were most severely affected by the changed conditions, but for the most part export prices were stabilized in those industries which immediately prior to the war had been facing imminent possibility of restriction of production because of glutted overseas markets. Thus, for the time being, the threatened stagnation of Australian agriculture was avoided. The quantities named in the contracts* for the sale of Australian primary products to Great Britain were well within the productive capacity of Australian agriculture, but shipping losses forced the British Ministry of Food to transfer more of its ships to shorter routes. The diversion of shipping involved a reduction in the quantity of produce Great Britain could purchase from Australia, and more and more of Australia's staple exports were placed lower on the priority list of goods entitled to space on vessels proceeding overseas.

As a result of these changes, together with the necessity for meeting the requirements of the allied armies in the Middle East, dried and condensed milk, cheese, and beef were given a high priority, and butter, mutton and lamb a lower priority. No shipping space was available for eggs in shell, and elaborate egg-drying plants were erected at short notice in order to avoid a serious situation in the egg market. Upsetting rearrangements in the export of pig meats resulted in a lack of confidence in the pig industry and, to relieve the meat position, the export of low-grade mutton, beef, and pig meat was prohibited. To stabilize the fat-lamb industry, the Commonwealth agreed to acquire and store all lambs not required for the local market, but at a price lower than that agreed upon in the contract with the British Government for export lamb. Collapse of the market for mutton was avoided only by placing large orders for canned mutton required for the fighting forces.

When cheese was given a higher priority than butter, by the British Ministry of Food, steps were taken to induce a number of butter factories throughout Australia to undertake the manufacture of cheese. To this end funds were provided to enable approved factories to extend their cheese-making plants and in many cases to erect new ones, and a scheme was drawn up under which such factories would be compensated in the event of cheese production proving unprofitable at a later stage.

The order of importance of the changes, the period over which they took place, and the steps taken to bring them about were well within the capacity for adjustment of the various industries concerned, with the result that no serious disorganization of agriculture in Australia resulted.

ADJUSTMENT TO NEW CONDITIONS

With the entry of Japan into the war in December, 1941, the fall of Malaya and the Netherlands East Indies, and the approaching danger to the north coast-line of Australia, the agricultural industry was faced with the necessity of undergoing some far-reaching adjustment in order that the new situation might be met. The three principal factors affecting this situation were: (1) the influx of troops from the United States and the Middle East, resulting in increased demands on the home market for many products; (2) the intensified demands

* See *Commercial Intelligence Journals* Nos. 2005 and 2006 (July 4 and 11, 1942), pages 9 and 44, for particulars of contracts with the United Kingdom for the sale of Australian primary products. See also report by L. M. Cosgrave, Canadian Trade Commissioner at Sydney, entitled "Dairying Industry in Australia", published in *Commercial Intelligence Journal* No. 2024 (November 4, 1942), page 440.

which the urgency of the war situation created for manpower from all sections of the community, including agriculture; (3) restricted sources of rock phosphate, owing to enemy action, thus limiting the amount of superphosphate available to primary producers.

The consumption within Australia of export surpluses will offset lessened production on account of manpower shortages, but there will be a corresponding reduction in the quantities of produce available for export. To meet the requirements of the fighting forces based on Australia, as well as the needs of the British Government, production in particular cases will have to be accelerated. The key to the fulfilment of the aims of the Commonwealth to feed the troops and the civil population and provide food for Great Britain, as well as augmenting fighting forces and staffing munition factories, lies in the exercise of well-balanced judgment in utilizing available supplies of manpower.

To this end the Australian Food Council has embarked on a campaign to intensify food production in the Commonwealth by means of national and state primary and secondary foodstuffs production quotas.

Standing committees on agriculture and the state departments of agriculture will administer state production quotas. District war agricultural committees organized by district officers of the state departments of agriculture will be established in each state. These committees, it is expected, will enable farmers to participate in a close-to-home organization to meet production goals and to minimize the effect of the many problems involving manpower and equipment with which they are faced. A sub-committee consisting of representatives of the Departments of Commerce, Supply, and War Organization of Industry and the Directorate of Manpower will advise the Australian Food Council regarding appropriate goals. The committee will have power to co-opt departments concerned in particular commodities and problems and to consult state departments of agriculture.

The goals so far approved for 1942-43 include the following:—

Dairy Products: dried full cream milk, 15,000 tons (27 million gallons of milk); condensed milk, 35,000 tons (19 million gallons of milk); fresh whole milk, 170 million gallons.

Meats (inclusive of Canned and Dehydrated Meat): beef and veal, 560,000 tons; mutton and lamb, 380,000 tons; pig meats, 100,000 tons.

Miscellaneous: eggs, 75,000,000 dozen; sugar, 643,000 tons; rice, 55,000 tons; dried vine fruits, 92,000 tons; canned fruits, 3,050,000 cases; dried tree fruits, 10,500 tons; potatoes, 500,000 tons; field peas, 10,000 tons; peanuts for edible and planting purposes, 13,000 tons; peanuts for oil purposes, 10,800 tons; vegetable seeds, spring-sown crops, 3,400 tons.

These goals will serve as a basis for the allocation of foodstuffs to meet the three principal demands: Australian civilians, the fighting services, and the export market. In addition they will indicate to the manpower authorities the relative claims of various primary industries for available labour.

Indications are already apparent as to the directions in which supplies of food for civilian consumption will be limited. The dietary of Allied troops from abroad differs considerably from that of the Australian population. The former have not yet acquired a taste for lamb or mutton; they consume more beef, pig meats, fruit and vegetables per head than does the average Australian. Heavy purchases of these commodities for military needs, both for canning and for immediate use, have reduced the supplies available for the civilian population.

Consequently it is clear that the Australian public will have to consume more mutton and lamb and much less beef, pork and bacon than formerly. Eggs will be at a premium outside the normal laying season, and fresh vegetables will be in very short supply next spring unless householders seriously take the advice

conveyed to them that they should make themselves largely self-sufficient in respect of these products.

The heavy reduction in the quantity of superphosphate likely to be available to producers in future will further intensify the decline in production which the shortage in manpower is already producing. In respect of some products, such as dried milk, condensed and whole milk for human consumption, vegetables (including potatoes), and flax, it is recognized that production should be at a maximum. To ensure adequate manpower to produce these items and to maintain a system of priorities for the use of superphosphates, other non-selected forms of primary production must be affected. From careful field experimentation, it has been estimated that there will be a decline in production of about 15 per cent in the State of Victoria.

PRINCIPAL CHANGES IN PRODUCTION

Briefly, the principal changes in agricultural production that appear likely will be a reduction in the output of beef and pig meat for the civil population, while production of mutton and lamb, which civilians must consume in greater quantities, will decline because of superphosphate and manpower shortages.

The Commonwealth Government desires increased supplies of pig meats for the fighting forces and, in order to stimulate production and incidentally help dispose of surplus wheat stocks, wheat for pig and poultry feeding has been reduced by 6d. a bushel. Shortage of labour, the reduced number of breeding sows, and the lack of barbed wire are restricting production in this industry.

Condensed milk factories have been working to capacity for some time and have increased their production by 100 per cent over that of last year. Special efforts will be needed by producers to ensure adequate supplies. Already some of the milk is being hauled long distances, and adequate phosphate supplies will be required for top-dressing the producing farms in order to maintain production at existing levels.

A substantial decline in butter production must ensue owing to the reduction in manpower in the industry and to reduced supplies of superphosphate and, unless the season is specially favourable, the exportable surplus will be considerably smaller.

More eggs will be needed, especially in the periods of the year when production is low. At these times there will be a shortage of eggs for the civil population, but in the spring there should be a surplus above civilian requirements available for drying and export in that form.

There is an increased demand for dried fruits in Australia to meet military needs, and it may not be possible to fill the whole of the contract with the United Kingdom. This industry suffered a manpower crisis during the last harvest that may be intensified during the next. Prunes and dried apricots have not been available to civilians for some months.

An increase of 50 per cent in potato crops will be needed to meet military and civilian needs. Given the necessary manpower and superphosphate, it should be possible to bring about this increase by means of an intensive drive. A minimum price will be guaranteed and, in the event of a surplus, a proportion of the crop may be dried.

Prior to the war the flax industry in Australia expanded in a few years from 200 to 2,000 acres. This year the area sown is expected to reach 60,000 acres, although 70,000 acres was the objective. The price for flax straw of standard quality is £6 5s. per ton.

Many thousands of tons of vegetables, including blue peas, navy beans, carrots, green peas (for canning), parsnips, beetroot, tomatoes, cauliflower,

stringless beans, onions, swedes, etc., will be required during the forthcoming period to meet the full demands likely to be made on the vegetable-growing industry.

PROCESSED FOODS

Production goals for manufactured food products will also be established by the Australian Food Council. In addition to increasing the output of canned meat to the limit of the nation's capacity, an extensive program of vegetable canning will be put in hand to increase thirty-fold the amount of vegetables canned in Australia during immediate pre-war years. To achieve this objective, a representative of the Australian Supply Department and a representative of the United States Army in Australia will go to the United States to negotiate for the installation of the necessary canning equipment in time to cope with incoming crops. By means of the machinery obtained, 6 pounds and 10 ounces of vegetables will be packed in a single can; at present the largest can used in Australia contains only 30 ounces. It is also reported that a request will be made of the United States Government to supply two experts in vegetable canning. A request has also been made to London that two representatives of the British Ministry of Food be permitted to come to Australia to join in discussions of the Australian Food Council and to provide a direct connection between Australia and the London Food Committee and, through it, with the Combined Allied Food Board in Washington.

While in the United States the representative of the Australian Supply Department will also investigate the vegetable seed position on behalf of the Australian Seed Committee.

DEHYDRATION OF FOODSTUFFS

The preservation of foodstuffs by dehydration had in the two-year period following the outbreak of war in 1939 made marked progress in Australia, primarily as a means of disposing of unexportable surpluses of such products as apples, mutton, and eggs. With the spread of the war to the Pacific area, however, and the development of the more mobile methods of fighting in that area, it was increasingly realized that dehydrated food would enable large numbers of troops to subsist and fight long distances from bases and food depots. Consequently, dehydration of vegetables on a much greater scale than hitherto has taken place in Australia during the past twelve months. Further large-scale expansion is planned by the installation of machinery to cost £A333,000 for the processing of spring vegetable crops. With the facilities available and contemplated, it will be possible to treat some thousands of tons of potatoes, carrots, onions, cabbages, white turnips, parsnips, and other vegetables.

Efforts are being made to expand dried-apple production in Tasmania, South Australia and Western Australia to 4,000 tons a year, and plants in Victoria and South Australia will dehydrate apricots, peaches and pears in increased quantities.

Installation of plants, to cost £A200,000, for the dehydration of mutton has been authorized, principally in New South Wales and Queensland. Great Britain's present order for 100 tons a month will probably be increased if this further work in connection with dehydrating mutton is successful.

Other decisions of the Australian Food Council concern the advisability of establishing secondary reserve depots for civilian foodstuffs in all states to meet any emergency. These secondary depots are an extension of the original scheme of emergency supplies under which stocks of essential commodities were established throughout the Commonwealth in the hands of merchants and storekeepers.

Among foodstuffs being stored in the secondary depots are jam, sugar, honey, canned fruit, dried fruit, tea, condensed and powdered milk, infants' and invalids' foods, canned vegetables, canned meats, and orange juice for children. Reserves of frozen meat to cover service and civilian needs in the event of an emergency are also to be established.

It is apparent from the foregoing that within a short time Australian growers and producers of vegetables, eggs, bacon, beef, cheese, potatoes and flax will be marshalled and organized to produce many times their pre-war output of these foodstuffs. Production of fruit, wheat, mutton, lamb and butter already exceeds requirements for domestic consumption. Processing-plant capacity having expanded accordingly, it will be able to produce many times the pre-war output. Whether the post-war population of Australia (unless rapidly expanded beyond its pre-war level) will be able to absorb the whole of the increased output of processed foods is a question which can only be solved after the war. In any event Australia should be in a favourable position to enter the world's market as an exporter of these goods instead of an importer as formerly. It is apparent, therefore, that the Australian market for imported canned and dried foodstuffs (with the exception of canned fish) may never regain its pre-war proportions.

HOUSING IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

II. Types of Houses Required

ADMINISTRATIVE MACHINERY

Housing schemes are in general formulated by the housing department of the town or county council, working under a salaried housing director, the city or county architect or engineer, or the burgh surveyor. The housing department operates according to schemes approved by the housing committee of the council. The final authority is the Department of Health for Scotland at Edinburgh, one of whose most important duties is the administration of the housing acts passed by Parliament and the general supervision of the subsidized housing schemes undertaken by local authorities. Unsubsidized houses built by the local authorities are not subject to the Department's approval, but it has authority in certain circumstances to call for the submission of plans. However, the Department generally ensures by friendly collaboration with the local authorities that unsubsidized houses comply with the same standards of construction, letting, etc., as subsidized houses. The Department has no control over private building, which is governed by by-laws made by local authorities.

It will be realized that the Department of Health for Scotland is in no way under the control of the Ministry of Health for England and Wales at London. The political head of the former is the Secretary of State for Scotland, and of the latter the Minister of Health.

INQUIRY FOR PREFABRICATED WOODEN HOUSES

Early in 1942 the office of the Canadian Trade Commissioner at Glasgow received an inquiry from the Secretary of State for Scotland, through the Department of Health, for 6,000 to 10,000 prefabricated Canadian wooden houses to be built immediately after the war. This number, although large, is but a small fraction of the total required. Prompt supply and speedy construction of such houses would tend to ease the situation and, if they proved satisfactory, there is no reason why the number to be purchased in Canada should not be greatly

increased. Canadian manufacturers are probably uninformed regarding the type of accommodation needed in Scotland, just as the Department has no knowledge of the designs of Canadian manufacturers for prefabricated houses built in Canada which could be adapted to local conditions and is not fully informed on many other points concerning which it desires information. It is obvious that many months will be required for the exchange of information before Canadian manufacturers and the Department of Health have established mutually satisfactory plans and specifications on which quotations can be based and contracts let. It is important that such collection and exchange of information be started now, so that decisions can be made and production put in hand without delay when men, machines, materials and shipping become available. There is a further advantage in advance preparation of a production program: after the war the great problem will be the change-over of productive resources to civilian needs without an interval during which men and machines are unemployed; anything that can be done now to speed this transfer will be of the greatest service.

Following interviews with architects and other officials of the Department of Health, this office has compiled the following notes on the types of houses that were erected in Scotland before the war (plans of which also were obtained) and a list of points relating to prefabrication concerning which the Department of Health wishes to obtain further information:

NOTES ON PRE-WAR TYPES OF HOUSES

The types of houses constructed in Scotland prior to the outbreak of war were as follows: (1) cottage house (single story); (2) cottage house (two-story); (3) flatted house (two-story); (4) tenement house (two- and three-story).

Types 1 and 2 are erected in semi-detached blocks or in terrace blocks of four and six houses. Houses of type 3 are erected in blocks of four, each having its own entrance. The tenement type of house is not considered to be suited to timber construction.

Each house comprises a living-room of approximately 180 square feet in area, a scullery of 80 square feet, one bedroom of 150 square feet, one of 120 square feet, and two others each of which has an area of 90 to 110 square feet. In addition each house is provided with a fitted bathroom, a larder with ventilation through an external wall, and coal and press accommodation. The scullery is fitted with a sink and tub, and a copper is provided for washing clothes; the latter is either coal-fired or heated by gas if this is available.

A fire-place for coal is provided in the living-room and in at least one bedroom in the 3- and 4-room houses, and in two bedrooms in the 5-room houses. Other bedrooms are provided with gas fires or with an outlet for an electric heater.

On the ground floor the height of the ceilings in all types of houses is 8 feet 6 inches. On the upper floor of cottage houses the height is 8 feet, and in flatted houses 8 feet 6 inches.

In certain districts the walls are of stone, but generally they are of 11-inch brick, of hollow construction, with two thicknesses of $4\frac{1}{2}$ -inch brick and a cavity of 2 inches. The brick walls are roughcast in cement externally and are plastered on the hard surface on the inside.

Partitions are of brick, timber or breeze concrete.

Floors are of timber in the living rooms, bathrooms and passages. Sound-proofing with ashes covered with cement is provided in the flatted type of house. In sculleries, coal bins, etc, the floors are of concrete.

Roofs are of timber construction covered with sarking and felt and are finished with slates or tiles.

Stairs, doors and other finishings are of wood, and windows of the double-hung sash type have wood or steel casements.

A circulating system of hot water is provided for sculleries and bathrooms from a boiler situated back of the living-room grate, the circulating tank being usually placed in the scullery.

Electricity or gas is used for lighting, depending on circumstances.

PLANS AVAILABLE

A set of eight plans showing the arrangement of the rooms in the various types of houses referred to above is on file at the Department of Trade and Commerce, Ottawa. These plans are available for inspection by interested Canadian firms on application to the Department (quote file No. 24880).

It is considered desirable that the specified standard of accommodation shown on the plans be generally adhered to and that the planning of the various types of houses, which has been found to be convenient and economical, be given consideration. These plans were not, however, designed for standardized and prefabricated construction, and they are subject to such alternations as are desirable or necessary.

INFORMATION CONCERNING PREFABRICATED TIMBER CONSTRUCTION

With respect to prefabricated timber construction, the Department of Health requires additional information as follows:—

1. That manufacturers specify (a) the materials which they would supply and ship and (b) to what stage fabrication would be carried in the factory. Under (a) information on such points as the following is desired: (i) in addition to all structural timber required for walls, floors, roofs, etc., which presumably would be supplied, would windows, doors, stairs, wall finishings (both external and internal) and roof covering (e.g. shingles) also be provided?; (ii) to what extent, if any, would plumbers' fittings, piping, etc. be supplied, also electric wiring? Under (b) would the walls, floor and roof sections be supplied (i) prefabricated only to the extent of the structural timbers, (ii) with wall finishings, windows, etc. in position, (iii) with plumbers' piping in position?
2. That manufacturers specify (a) what materials would have to be provided from this country, and (b) what work would have to be carried out on the site. Under (a) the question of supplying light castings, down-pipes, grates, ironmongery, sinks, baths, drain pipes, glass, etc. would arise. Under (b) presumably all foundation work below ground-floor sleeper joists, also the erection of brick flue gables, chimneys, drainage, provision of services, water, gas, electricity, roads, etc. would be required.
3. Has wartime experience in providing housing for workers in Canada assisted in arriving at a decision as to the best and most expeditious methods of prefabricated construction and the relative suitability of single- and two-story buildings in convenience of construction, speed in erection, etc.

Information is also required concerning the categories of labour employed (a) on prefabrication in the factory and (b) on erection on the site, with special reference to the proportions of skilled and unskilled labour employed; any "demarcation difficulties" that have arisen where building-trade workers have been employed; types of contractors' organizations employed on construction and as much information as possible as to how the job is organized on the site.

SUMMARY

The Department of Health has no cut-and-dried solution of this problem. Officials are feeling their way step by step, and they will appreciate any assist-

ance or advice that can be supplied by Canadian manufacturers of prefabricated houses. It has been suggested that it is improbable that further progress on plans for supplying prefabricated houses can be made until after the war, or at least until a general scheme of reconstruction can be organized for the whole country, but this view is not generally acceptable. It is highly important, for reasons already given, that the matter be not postponed.

While any legislation to be enacted by Parliament covering reconstruction, including housing, will affect the whole country, this does not imply that such legislation, if required, will be uniform for the whole of Britain or, rather, that it will be uniformly applied. On the contrary, while the program for Scotland will have to fit into the national framework, allowance will without doubt be made for the varying requirements of this part of the United Kingdom. Housing plans in any case will have to be initiated by the Department of Health and the local authorities, irrespective of what plans are best adapted to, say, the South of England. The Scottish building industry has behind it a long tradition of high-class construction, and for this reason costs are higher than in England. Furthermore, the rooms in Scottish houses are usually larger and the ceilings higher. There is no reason to suppose that reconstruction plans will impose a dull uniformity throughout the country; these differences will continue to obtain, and any national legislation will make allowances for them. Therefore there is no necessity for the Department of Health to delay its plans and preparations.

SOUTH AFRICAN NATIONAL COUNCIL OF SUPPLIES

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, October 31, 1942.—In a broadcast of October 7, Field Marshal the Right Honourable J. C. Smuts, Prime Minister of the Union of South Africa, announced the formation of a National Council of Supplies, with which will be incorporated many of the existing wartime control organizations; another function of the Council will be to advise the Government on all questions pertaining to economic policy and principle.

In introducing the subject, the Prime Minister referred to South Africa's present problem of maintaining supplies to meet civilian requirements as being apart from that of providing war supplies and to the necessity of keeping the former at a level sufficiently high to ensure the economic stability of the country. At the beginning of the fourth year of hostilities, he stated, the Union was faced with a question which was even more difficult than that of war supplies two-and-a-half years ago. It was, therefore, necessary to call on all who could help—industry, commerce and labour—to assist in providing and distributing the required commodities and materials and necessary also to have the co-operation of the consuming public in avoiding all forms of waste.

Owing to the war situation, shipping difficulties had become so acute that the importation of even essential commodities had been greatly curtailed and, owing to a scarcity of the necessary imported materials, trade and industry may soon find it impossible to keep civilian life and activities operating at a safe level. For this reason it is felt that a careful study is required to ascertain what is regarded as necessary and what can be done without and at the same time maintain public health and employment. In other words, wants must be cut down concurrently with the maintenance of economic equilibrium by means of as even as possible a distribution of such commodities as are available. This will be one of the principal objectives of the new Council of Supplies.

The Prime Minister went on to say that he was desirous of continuing as long as possible without a large-scale issue of rationing cards, which in South Africa, owing to the non-homogeneous population, would involve more difficulties than in most other countries. In addition, domestic production must

be extended and, as was the case with war supplies, essential commodities that cannot be imported must, as far as possible, be manufactured locally.

COMPOSITION OF THE COUNCIL

The Prime Minister himself will be chairman of the new organization, and the Minister of Railways and Harbours will be Deputy Chairman. The Chief Executive Officer will be designated Director-General of Supplies, and to this post the present Director-General of War Supplies has been appointed, the former post being absorbed in the new one. The six other members of the Council include the Deputy Head of the Department of Commerce and Industries, the Managing-Director of the Industrial Development Corporation, the Price Controller, and the head of one of the largest commercial banks. The various controllers, with the exception of the Food Controller, the Price Controller, the Petrol Controller, the Controller of Buildings, and the Controller of Industrial Man-Power, will now be included in the organization of the Director-General of Supplies, with whom they will closely collaborate. The Imports and Exports Control Board, whose activities are closely connected with those of the Controllers in the issuing of import permits, will also now come under the National Council of Supplies. In addition, the Council will incorporate the recently formed Industrial Supplies Advisory Committee. The function of this committee is to deal with the organization of industrial effort through the co-ordination and co-operation of industry by means of advisory panels representing all branches of manufacturing and to dovetail in with government control and thereby secure as full a degree of rationalization as possible. The activities of the Industrial Supplies Advisory Committee includes both civilian and war supplies. To this end the newly appointed Director-General of Supplies will be empowered to instruct any person or company to undertake the manufacture of any commodities and to indemnify the producer against any loss which may ensue. He will also have authority to purchase or import bulk supplies of any commodity which he may consider necessary and also to arrange for their distribution.

In concluding, the Prime Minister made an appeal to industrialists, commercial men, engineers, artisans, and labour in general to again support him in this larger and more difficult task of organizing civilian supplies as they had previously done in connection with war supplies. He pointed out that this was necessary, because to maintain economic equilibrium is a most important part of home-front activities, without which it is not possible to maintain an effective fighting front.

TEA RATIONING IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, December 16, 1942.—In an address given over Newfoundland radio stations on the evening of December 12, 1942, the Commissioner for Public Health and Welfare announced the introduction of a tea rationing scheme, to operate on the "honour system." Citizens have been asked not to purchase more than two weeks' supply of tea at one time nor to purchase any tea at all as long as they have two weeks' supply on hand. In remote areas, where trips to supplying stores are made only infrequently, stocks in excess of two weeks' supply may be purchased. Citizens are asked to cut their consumption of tea by half, and it is hoped that the honour system introduced will render unnecessary the need for a rationing system based on ration cards or books.

Since the Netherlands East Indies and China have been virtually eliminated as suppliers of tea to the United Nations, the Government of the United Kingdom has taken over control of all exportable tea in world markets and has allocated stipulated quantities to various consuming countries. For pur-

poses of allocation, Newfoundland has been grouped with Canada, so that, as long as the present system remains in force, Newfoundland's tea requirements will be met from a joint quota which covers both Canada and Newfoundland. Because of the shipping situation, Newfoundland is unlikely to import much tea direct from Ceylon, so that her quota will be handled largely through Canada.

SHIPPING SPACE FOR EXPORTS TO BRITISH HONDURAS

With reference to the article on the allocation of shipping space for exports to the Caribbean area, published in *Commercial Intelligence Journal* No. 2026 (November 28, 1942), page 481, Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that, under an Order made by the Controller of Imports on November 2, 1942, and effective from that date, British Honduras importers are required to submit to the Competent Authority applications for shipping space for all goods to be imported from Canada or the United States.

The procedure to be followed is that the importer prepares each application in triplicate, which he partially completes and sends to the supplier along with the order and triplicate copy of the import licence. The supplier completes the application by filling in the export permit number and the requisite details as to weight, measurement, marks and numbers and location of the goods, and returns it to the importer, who in turn submits it to the Import Control Office for space allotment. When space has been allocated, importer and supplier will be duly informed. Canadian suppliers are advised to make sure before they ship that the space allocation permit has been definitely granted, otherwise an O.D.T. permit will not be issued by the Transport Controller, without which the goods cannot be shipped through a United States port.

CONDITIONS IN THE CUBAN AND DOMINICAN REPUBLIC DRIED AND SMOKED FISH MARKET

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Havana, December 1, 1942.—There has been no change in the local dried salt fish market since the publication of the previous report on this subject. Apart from the question of shipping scarcity, landed costs of Canadian fish are still too high to permit of sales at the price set by the Cuban Price Control Board. So long as this situation prevails, no movement in the trade can be expected.

SANTIAGO DE CUBA

It is reported that a Canadian schooner is now en route to this port with a substantial cargo of Canadian codfish, and that a number of late orders could not be shipped, as all space on the vessel had been fully booked. It is understood that prices for medium and small fish shipped by this vessel were \$16 and \$15.50 respectively per 128-pound drum f.o.b. port of despatch.

DOMINICAN REPUBLIC

Importers in Ciudad Trujillo report no arrivals of salt fish and state that any business being done is confined to a few small lots of second-class fish, which have been sold at \$17 and \$18 per 128-pound drum. They express the opinion that if good fresh stocks were available, they could be sold at prices up to \$25, duty paid (say \$23 c.i.f.).

No supplies of bloaters have come in, and there are no stocks of this fish in the market. New-pack bloaters, if available, could be sold at \$2.45 per box of 18-pounds net, duty paid (say \$2.20 c.i.f.).

Business generally is suffering severely from lack of shipping facilities and, although some buyers have made purchases for shipment from New York during December, they have received no assurance as yet that freight space will become available. Quantities involved in these particular negotiations include 400 cases (of 100 pounds each) of cod, 150 drums (of 128 pounds each) of hake and 3,000 boxes of bloaters.

REGULATION OF THE PURCHASE AND MILLING OF BRAZILIAN WHEAT

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

(One cruzeiro equals approximately \$0.05 Canadian; one litre equals 2.75 bushels;
one kilo equals 2.2 pounds)

Rio de Janeiro, December 7, 1942.—Effective December 1, 1942, a decree-law was signed by the President of the Republic of Brazil on November 13 regulating the acquisition and milling of Brazilian-grown wheat.

The decree-law provides that before January 20 of each year the competent authorities of each state producing wheat in Brazil must advise the Flour Trade Control Board in Rio de Janeiro of the total in kilos of all wheat passed and verified by them as having been threshed up to December 31 of the preceding year. In accordance with the total thus estimated, a division shall be made as to the quota which each flour mill in the country must use based on its average consumption of wheat during the preceding five years or, in the case of those which have operated for a lesser period, the average monthly consumption.

All wheat, which must be bought f.a.s. nearest embarkation point to the zone of production, must be purchased within 120 days from January 1 and warehoused by the mills within 30 days of that date. In the event of a mill failing to obtain the whole of its quota under these terms, it will be automatically prohibited from obtaining wheat or wheat flour of foreign origin from any source.

Prices are to be set by the Government for ten years, and for the first three years the following prices shall prevail:—

Weight in Kilos Per Hectolitre	Price per Hectolitre
80	Cr\$52.00
79	51.00
78	50.00
77	49.00
76	48.00
75	47.00
74	45.00

The first of the foregoing prices is equivalent to about 95 cents per bushel of 64 pounds, the prices being scaled down for the lighter grades.

SOUTHERN CHILE MEAT INDUSTRY

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Santiago, December 8, 1942.—The Tierra del Fuego (Straits of Magellan) area of Southern Chile has long been important for its sheep-raising industry, and Punta Arenas wool from that area is well-known in the wool trade.

The sheep population of the province of Magallanes was 2,394,493 in 1936, the latest year for which returns are available. The province possesses excellent freezing establishments—Rio Seco, Natales, Puerto Boris, Puerto Sara and Tres Puentes—of which the first-named is the most important. The sheep handled

are those originating in this province, and in addition a considerable number are brought in from the neighbouring Argentine territory each year. A total of 408,168 Argentine sheep entered Punta Arenas, Chile, in 1941.

The following table shows the number of sheep handled at the several "frigorificos" (packing plants) in recent years:—

Year	Handled No.	Frozen No.	Exports Tons
1937	1,348,838	706,601	11,325
1938	950,531	647,905	10,465
1939	1,140,820	820,493	10,660
1940	988,135	846,379	12,359
1941	904,418	584,339	6,716
1942 (Jan.-June)	1,152,306	825,373	4,855

The United Kingdom takes practically all the frozen meat that is exported from Chile, shipments thereto in 1940 and 1941 comprising 98 per cent and 95 per cent respectively of the total exported.

TARIFF CHANGES AND TRADE REGULATIONS

British Guiana

IMPORT CONTROL AND DISTRIBUTION OF FLOUR

The Controller of Supplies, British Guiana, announced in the *Official Gazette* of December 12, 1942, that:—

- (a) As from the date of this notice, no import licences will be granted for the importation of flour.
- (b) All future flour requirements of the Colony will be ordered and imported by the Controller of Supplies on government account.
- (c) All flour at present on order will be requisitioned by the Controller of Supplies, Competent Authority, upon its importation into the Colony.
- (d) Importers of flour are hereby required to forward to the Controller of Supplies, Georgetown, within three days of the date of this Notice all import licences, orders, invoices and other documents relating to flour on order but not yet imported into the Colony.
- (e) Importers, agents of millers and other suppliers of flour are hereby required to instruct their principals to consign all further shipments of flour in completion of any contracts already made to the Controller of Supplies, British Guiana, and to make arrangements for the presentation to the Controller of Supplies of all drafts and documents covering shipments of flour not yet imported into the Colony.
- (f) Importers, agents of millers and other suppliers of flour are required to furnish the Controller of Supplies with a statement showing separately the total quantities of extra and super flour they have contracted for shipment to the Colony; these statements must be furnished not later than December 19, 1942, and shall include date of contract, price and shipping instructions.
- (g) In future, arrangements for shipment of outstanding orders for flour will be made by the British Colonies Supply Mission, Washington, U.S.A., by arrangement with the Controller of Supplies, and agents of millers and other suppliers and importers of flour are required to inform their principals accordingly.
- (h) The Controller of Supplies will pay for all shipments of flour at present on order on importation into the Colony at exporters' invoice cost (including commission) on presentation of the drafts.

No payment of subsidy will be made to importers in respect of flour arriving in the Colony after publication of this notice.

A second order of the same date gives notice to wholesalers that the bulk of the supplies of flour requisitioned and purchased by the Controller of Supplies will be sold ex steamer's warehouse to wholesalers in quantities determined by the Controller of Supplies in proportion to the imports they received and purchases they made during the period July 1, 1940, to June 30, 1941. Some of the flour may be stored by the Controller, and this may be sold to wholesalers, retailers and bakers.

The manner of sale by the Controller of Supplies to wholesalers is set forth in a third order as follows:—

Any wholesaler who desires to obtain flour shall apply to the Controller of Supplies, for the issue of a delivery order. Delivery orders shall be issued at the discretion of the Controller on payment of the value of the invoice presented to the wholesaler by the Controller for the flour to be delivered at the following rates: hard wheat (Extra) flour at \$3.80 per $\frac{1}{2}$ bag of 98 pounds; soft wheat (Super) flour at \$4.25 per $\frac{1}{2}$ bag of 98 pounds.

Payment of the invoice shall be made by the wholesaler to the Controller within three days of the receipt of such invoice. No wholesaler shall dispose of any flour other than on a delivery order issued by the Controller in accordance with the Flour (Control of Distribution) (Amendment No. 2) Order, 1942. This order went into effect as from December 14, 1942.

Union of South Africa

RESTRICTIONS ON PARCEL POST SHIPMENTS

Limitation of parcel post shipments to the Union of South Africa and South West Africa, announced in *Commercial Intelligence Journal* No. 2019 (October 10, 1942), page 339, is the subject of a further notice from the Post Office Department, Ottawa. As previously announced, a special permit issued by the Controller of Imports in the Union of South Africa must be obtained by the importer before goods for trade purposes may be imported by parcel post into the Union of South Africa and South West Africa.

The new notice directs attention to the fact that this special import permit is not to be confused with the certificate of essentiality on which the proposed shipment is given its priority rating for importation through other channels. It is pointed out that a certificate of essentiality does not entitle parcels to be accepted for transmission to these destinations. Parcels will not be permitted importation by parcel post into South Africa unless the parcel is endorsed with the number of the special permit above-mentioned, of which the shipper will be advised by the importer. The Government of the Union of South Africa has advised that such special permits will be issued only in exceptional cases, and parcels under genuine import permits will, therefore, not be offered frequently.

The Post Office Department at Ottawa therefore announces that it is to be especially noted that parcels destined for the Union of South Africa which are not endorsed "Not for Trade Purposes" should not be accepted unless they are endorsed with the words "Special Permit No. ... for importation by Parcel Post held by Addressee" and the sender produces some evidence, such as a letter or cable from the addressee, that such a permit has actually been obtained by him and quotes the number of the permit. If such evidence produced by the sender does not contain the words "By Parcel Post," "By Mail," or similar words the parcel should not be accepted. Moreover, if goods for trade purposes are not sent under a genuine permit for importation by parcel post, they will, on arrival in South Africa, either be confiscated or returned to the sender.

British India

PROPOSED REVISION OF IMPORT CONTROL OF MEDICINES

The Government of India, according to a Resolution of September 12, 1942, has for some time been considering the question of revising the present method of control of imports of drugs and medicines from abroad to ensure that only the most suitable medicines and in the most suitable quantities are imported under the Import Trade Control Scheme. For this purpose an Advisory Panel on Drugs

and Medicines has been set up with the following terms of reference: "To advise the Government of India as to which drugs and medicines, other than those the formulas of which are included in the Official Pharmacopoeias of the exporting countries, it is essential to import into India from abroad". The term "Official Pharmacopoeias" includes the British Pharmacopoeia, the British Pharmacopoeia Codex, the United States Pharmacopoeia, and the National Formulary of the United States of America.

The Panel will consist of officials and non-officials and will include representatives of the drug trade and industry as well as medical and scientific experts. Its work will largely be conducted by correspondence but ultimately it will meet at the Headquarters of the Government of India, when the state of final decision has been reached.

Newfoundland

DUTIES CHANGED ON MEATS

Mr. R. P. Bower, Canadian Trade Commissioner at St. John's, writes under date December 16, 1942, that one of the largest individual food items imported into Newfoundland in past years has been barrelled beef. This product had a statistical value in pre-war years of approximately 16 cents per pound and was the principal meat item consumed in the country during the winter months. For the fiscal year ended June 30, 1939, for example, imports of salted beef amounted to 45,074 barrels of 200 pounds each. The United States has always been the largest supplier but, due to a meat shortage in that country, and to the fact that since the outbreak of war the abattoirs have been converting their cheaper cuts into sausages rather than into salted varieties, only small quantities have been available for export.

As a result it has been possible during the present season to import only a small fraction of the quantities generally purchased by Newfoundland. The authorities have endeavoured to locate substitute meats, and appear to find the best prospect in canned mutton and other canned meats. Unfortunately these items are considerably more expensive than salted barrelled beef, and therefore beyond the means of many purchasers. In an effort to assist these consumers, the Government has decided to remove the duty on such meats until March 31, 1943, and to establish price ceilings to ensure that the benefits of the tariff reduction are passed on to the ultimate purchaser. It was therefore announced by the Commissioner for Public Health and Welfare on December 12, 1942, that as from midnight December 13, 1942, and until March 31, 1943, tariff items Nos. 38, 39, and 44 would be exempt from customs duty and also from the war revenue tax. These tariff items and the rates that normally apply are as follows:—

Item No.	Description of Goods	Rates of Duty		
		Full	Intermediate	Preferential
38	Beef, salted in barrels, per barrel..	\$1 55	\$1 55	\$1 55
39	Pork, salted, including heads, jowls, tongues, etc., in barrels or half barrels	1 55	1 55	1 55
44	Canned meats, hermetically sealed, known as C.C. Beef, corned beef, corned beef hash, boiled beef, luncheon beef, roast mutton, boiled mutton and brawn, including the weight of immediate coverings per pound.....	0 02	0 02	0 02

In addition to the rates above specified, a 7½ per cent ad valorem war revenue tax applied.

In a full normal year the duty collected on these commodities would amount to approximately \$250,000, or about \$75,000 in the period stated.

United States

DUTY-FREE ENTRY OF GIFTS FROM MEMBERS OF UNITED STATES ARMED FORCES

A United States Public Law, No. 790, signed by the President on December 5, 1942, enacts:—

That, under such regulations as the Secretary of the Treasury shall prescribe, so much of any shipment as does not exceed \$50 in value shall be admitted into the United States or its Territories or possessions free of all customs duties, charges, or exactions, or internal-revenue taxes imposed upon or by reason of importation, if there is filed in connection with the entry satisfactory evidence that the articles for which free entry is claimed are bona fide gifts from a member of the armed forces of the United States on duty outside the continental limits of the United States.

Sec. 2. This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the day following the date of its enactment and before the expiration of six months after the termination of hostilities as determined by proclamation of the President, or by concurrent resolution of the Congress.

In pursuance of the provisions of this Act, the Secretary of the Treasury on December 14, 1942 (T.D. 50785), prescribed:—

- (a) Collectors of customs shall accord entry free of duty, internal-revenue taxes, and customs charges and exactions to bona fide gifts from members of the armed forces of the United States on duty outside the continental limits of the United States to the extent of \$50 in value in any shipment.
- (b) Satisfactory evidence that articles are bona fide gifts from a member of the armed forces of the United States on duty outside the continental United States will have been filed in connection with the entry within the meaning of Public Law 790 if
 - (1) the shipment is accompanied by a declaration or other evidence establishing such facts, or,
 - (2) in cases where the declaration or other evidence mentioned in (b)(1) does not accompany the shipment, the consignee or addressee of the shipment files in connection with the entry such a declaration or a certificate in the following form:—

I certify that the following-described articles.....

 are bona fide gifts from.....

 a member of the armed forces of the United States, to.....

 (Consignee or addressee)

- or if (3) the collector of customs finds from the facts and circumstances that the articles are entitled to free entry under Public Law 790 and makes an appropriate notation of his findings on the entry.
- (c) The certificate provided for in (b)(2) need not be verified unless, in the opinion of the collector, special circumstances necessitate that the certificate be under oath.
 - (d) The entry requirements prescribed in the Tariff Act of 1930, as amended, or the Customs Regulations of 1937, as amended, are applicable to articles entitled to free entry under Public Law 790.
 - (e) Customs invoices, including the invoices provided for in article 367, Customs Regulations of 1937, shall not be required for shipments accorded free entry under Public Law 790, in whole or in part; nor shall the customs declarations or the statements of value provided for in article 367 be required for such shipments.
 - (f) Free entry shall be accorded under the act to articles entered, or withdrawn from warehouse, for consumption on and after December 6, 1942, and before the expiration of six months after the termination of hostilities as determined by proclamation of the President or by concurrent resolution of the Congress.

United States-Argentina

CONCLUSION OF TRADE AGREEMENT PROCEDURE

A trade agreement between the United States and Argentina, signed on October 14, 1941, and provisionally in force a month later, was ratified by the Argentine Government on August 27, 1942. The proclamation of the

agreement by the President of the United States had been made seventeen days after its signature. An exchange of the instrument of ratification and the proclamation took place at Washington on December 9, 1942, so that the agreement goes definitely into force thirty days later (January 8, 1943). It is to remain in force until November 15, 1944, and thereafter until either party has given six months' notice of termination. Pending definitive coming into force, when the agreement was in operation provisionally it was subject to termination on six months' notice. The reciprocal tariff reductions resulting from this agreement, summarized in *Commercial Intelligence Journal* No. 1971 (November 8, 1941), page 562, are applicable to Canadian goods on account of Canada's most-favoured-nation agreement with both countries.

AUSTRALIAN WHEAT AND FLOUR: A CORRECTION

With reference to the item published in last week's issue of the *Commercial Intelligence Journal* (page 583), regarding the wheat and flour situation in Australia, the estimated figure of production of wheat for 1942-43 should have read 146,000,000 bushels.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING DEC. 28, 1942

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, December 28, 1942, and for the week ending Monday, December 21, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 21	Nominal Quotations in Montreal Week ending Dec. 28	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2622	.2617	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0572	.0572	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5853	.5853	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1942. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, Director

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: **L. M. COSGRAVE**. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON.. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfracom.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

Issued Every Saturday by the Department of Trade and Commerce

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Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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TRADE OF BRITISH GUIANA IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

I. Distribution of Trade

Port of Spain, December 17, 1942.—Most of British Guiana's 341,000 inhabitants are dependent for their livelihood on the production of sugar and rice. Land cultivation is confined to the low-lying coastal region and only 3 per cent of the Colony's total area of 89,480 square miles is utilized for agricultural purposes. The remaining territory consists of 78,000 square miles of rain forest, 8,000 square miles of grass-covered but rather inaccessible savannah, and 2,200 square miles of swamp.

PRODUCTION

SUGAR

Maintenance costs of the sugar land are high on account of heavy expenditure for water control by means of embankments, canals, ditches and pumping. Consequently not only is the cost of sugar production high in comparison with that in other colonies of this territory, but government resources are severely taxed by this ever-present expense. Investigation has shown, however, that the sugar, grown on large estates, is produced under efficient management, and that there appears to be no alternative to this primary cash crop.

Unlike other colonies that have only one sugar-grinding season (from December to about June), British Guiana is favoured with two rainy seasons and two dry, or grinding, seasons each year. The rains prevail from April to August and from November to January, and grinding takes place in the intervening months of February-April and August-November.

A prolonged drought in 1939-1940 reduced the Colony's production of sugar in 1940 and affected the spring crop of 1941. Favourable conditions dur-

ing the later months of 1941 resulted in an excellent autumn production, and British Guiana's export figures for 1941 showed a considerable increase over those of the previous year.

RICE

Rice is grown on the coastal strip by East Indian farmers with small holdings. As in the case of sugar cane, two crops of rice are sown each year in certain areas. Production is good, the yield being about one ton of paddy per acre. The rice is uniform in size, long-grained and of high quality, but much of its value is lost through inefficient milling. The result has been that British Guiana rice has not been able to compete successfully in the neighbouring West Indian markets with imports from Burma and the East Indies.

Since the outbreak of war, however, and especially during the past twelve months, the West Indian colonies have been forced to rely almost entirely on British Guiana for their rice supplies. The Colony has thus been afforded a unique opportunity to stabilize its industry, and is making every effort to do so.

During the pre-war decade 1929-38, rice was reaped from an average of 73,897 acres per annum. Annual production amounted to 42,503 tons, and exports to 19,537 tons. While exports during 1940 and 1941 were small, being 11,676 tons and 8,332 tons respectively, a record area of 78,600 acres was planted for the autumn crop in 1941, and a much higher yield and increased exports were expected in 1942.

ANIMAL HUSBANDRY

The Inspector-General for Agriculture in the British West Indies reports that improved animal husbandry would do much to modify the present dependence of the peasants on cash crops. In 1940 British Guiana's live stock consisted of 11,334 horses, 134,723 cattle, 44,743 goats and sheep, and 24,143 pigs. Being allowed to graze on inferior pasturage and breed promiscuously, the animals for the most part are of inferior quality. Colonial authorities, therefore, in 1941 made application for assistance, under the Colonial Development and Welfare Act, to cover the appointment of a live-stock officer to supervise this phase of the Colony's agriculture. The point of immediate importance, however, is that British Guiana is self-sustaining in respect of fresh meat and is fairly well supplied with milk, poultry and eggs.

In these circumstances, and taking into account that the Colony possesses an up-to-date factory for the production of edible oil from local copra, which is obtainable in fair quantities, British Guiana in 1941 was in a better position to meet its requirements from local supplies than any other colony in this territory.

FOREST PRODUCTS

Of British Guiana's 78,000 square miles of forest, approximately 25,000 square miles produce timber suitable for commercial purposes. Greenheart, an excellent wood for marine piling and dock gates, and wallaba, a more general purpose wood, are the two main species of tree used by the local lumber industry.

Since the outbreak of war, with lumber imports virtually prohibited, the industry has been working to capacity to meet local needs. Greenheart, although a hardwood heavy and difficult to handle, as well as frequently insufficiently seasoned, is in common use for building purposes. Exports of sawn greenheart in 1941 were nearly double those in 1940, the increased quantity going to the British West Indian colonies and the United States.

MINERALS

Mining for diamonds and gold is carried on, largely by hand, along the rivers of the forest area. Under wartime conditions, no statement is being

issued regarding the production of these or of bauxite, the other important mineral product of the colony.

FOREIGN TRADE

British Guiana's overseas trade, in terms of domestic exports and imports for consumption, was valued at \$36,743,031 in 1941, an increase of \$7,473,517 over the previous year's value of \$29,269,514. Both imports, valued at \$17,434,812, and exports, valued at \$19,309,219, showed increases over the previous year's values of \$14,353,769 and \$14,915,745 respectively.

EXPORTS

The chief agricultural and forest products exported from British Guiana in 1941 to principal destinations, with comparative total figures for 1940 shown within parentheses, were as follows:—

Sugar, All Kinds.—Total, 154,361 tons, \$8,253,921 (142,707 tons, \$7,129,836).

Sugar, Unrefined, Dark Crystals.—Total, 151,733 tons, \$8,097,128 (136,720 tons, \$6,834,048): United Kingdom, 102,599 tons, \$5,473,697; Canada, 49,130 tons, \$2,623,141.

Sugar, Yellow Crystals.—Total, 2,596 tons, \$155,753 (3,942 tons, \$230,069); all to the United Kingdom.

Overproof Rum.—Total, 1,320,736 proof gallons, \$751,052 (1,811,635 proof gallons, \$726,512): United Kingdom, 873,500 proof gallons, \$500,638; Newfoundland, 45,467 proof gallons, \$27,288; Bermuda, 44,703 proof gallons, \$24,285; Canada, 328,972 proof gallons, \$187,639.

Molasses.—Total, 5,440,746 gallons, \$308,269 (3,719,513 gallons, \$191,761): United Kingdom, 2,485,972 gallons, \$136,620; Canada, 1,953,985 gallons, \$112,936.

Rice.—Total, 19,852,982 lb., \$583,902 (26,156,095 lb., \$708,060): British West Indies, 18,712,652 lb., \$542,375; Canada, 630,000 lb., \$24,169.

Charcoal.—Total, 3,697 tons, \$67,020 (4,328 tons, \$69,651): British West Indies, 3,671 tons, \$66,526.

Balata.—Total, 659,190 lb., \$322,607 (379,165 lb., \$155,097): United Kingdom, 658,056 lb., \$322,027.

Greenheart (Hewn).—Total, 183,865 cu. ft., \$115,806 (201,860 cu. ft., \$123,966): United Kingdom, 123,479 cu. ft., \$74,193.

Greenheart (Sawn).—Total, 103,731 cu. ft., \$103,592 (53,386 cu. ft., \$51,897): British West Indies, 68,340 cu. ft., \$66,049; United States, 29,990 cu. ft., \$30,342.

Matches.—Total, \$43,957 (\$32,080): British West Indies, \$37,380.

RE-EXPORTS

A small re-export trade is carried on by coastal steamer, and occasionally by ocean vessels, with the neighbouring Colony of Dutch Guiana. This re-export trade amounted in 1941 to \$103,086 as compared with \$111,157 in 1940 and \$69,122 in 1939.

Re-exports to British West Indian colonies were valued at \$119,735 as compared with \$111,909 in 1940. Total re-exports were valued at \$260,208.

TRANSHIPMENTS

Goods entered for transhipment, mainly to Dutch Guiana, were valued at \$510,172. Among the items transhipped to Dutch Guiana, those of interest to Canadian shippers were smoked and dried fish (\$33,300); flour (\$15,840); pickled mackerel and salmon (\$6,140); other kinds of pickled fish (\$10,375); and beer, ale and stout (\$7,652).

IMPORTS

The value of \$17,434,812 for British Guiana imports for consumption in 1941 was \$3,081,043 more than the previous year's value of \$14,353,769. Manufactured imports, valued at \$11,857,305 as compared with \$9,859,501 in 1940,

accounted largely for the increase. Imports of foodstuffs were valued at \$4,587,861 (\$3,648,380 in 1940), and those of raw and semi-manufactured products at \$828,744 (\$668,266 in 1940).

Manufactured products showing large increases in import value were: machinery, \$2,387,073 (\$1,496,791 in 1940); metal manufactures, \$1,131,174 (\$727,618); cotton piece-goods, \$1,003,605 (\$743,589); woollen piece-goods, \$191,990 (\$114,113); lubricating oil, \$180,798 (\$107,561); cement, \$200,729 (\$129,801); art silk piece-goods, \$346,811 (\$278,484); implements and tools, \$142,387 (\$92,394); electrical apparatus, \$232,011 (\$186,295); cotton manufactures other than piece-goods, \$195,336 (\$149,238); motor spirit, \$189,909 (\$147,288); perfumery, \$92,997 (\$59,357); and paints and colours, \$152,028 (\$125,761).

There were decreases in imports of footwear, hats, hosiery, sacks, motor cars, bicycles, manufactured manures, and wood and paper manufactures.

Among foodstuffs the main increases were in: edible oil, \$237,495 (\$38,541); salt and pickled meats, \$269,503 (\$166,927); canned fish, \$154,705 (\$75,985); pickled fish, \$101,795 (\$25,835); condensed milk, \$234,103 (\$177,022); canned meats, \$64,537 (\$19,720); smoked and dried fish, \$304,652 (\$260,455); flour, \$998,883 (\$958,669); beans and peas, \$193,946 (\$160,989); lard and lard substitutes, \$67,820 (\$39,155); farinaceous preparations, \$53,608 (\$34,261); cheese, \$71,280 (\$54,085); butter, \$204,657 (\$181,723).

There were decreases in imports of bottled beer, tinned biscuits, and confectionery.

DIRECTION OF IMPORT TRADE

During 1941 little was imported from Europe, and imports from Asiatic countries, the sources of much of the cheap wearing apparel for the labouring classes, dwindled. Purchases from the United Kingdom decreased and those from Canada increased to a point where the Dominion became the leading source of supply to British Guiana.

The comparative positions of the three main sources of supply for 1941 and 1940 were as follows:—

British Guiana Imports from Chief Sources of Supply

	Value of Shipments 1941	Percentage of Total Imports	Value of Shipments 1940	Percentage of Total Imports
United Kingdom	\$4,084,851	23.4	\$5,474,594	38.1
Canada	6,627,102	38.0	3,274,028	22.8
United States	3,724,770	21.3	2,675,177	18.6

IMPORTS FROM THE UNITED KINGDOM

There was a general reduction in nearly all imports from the United Kingdom, the few outstanding exceptions being: cement, \$78,637 (\$61,069); cotton manufactures, other than piece-goods and hosiery, \$151,003 (\$125,957); glassware, \$43,454 (\$31,536); machinery, \$1,575,281 (\$164,628); artificial silk piece-goods, \$180,665 (\$159,004); manufactured tobacco, other than cigars and cigarettes, \$122,915 (\$85,668); woollen piece-goods \$189,816 (\$110,929).

IMPORTS FROM THE UNITED STATES

There was a general increase in the importation of metal products of all kinds from the United States, but pickled meat was the only foodstuff to show an important increase. Items in which increases were most apparent were: machinery n.o.p., \$820,912 (\$151,401); mining machinery, \$350,127 (\$344,007); sugar machinery, \$68,503 (\$44,765); agricultural machinery, \$31,301 (\$8,667);

metal manufactures, \$459,229 (\$102,955); railway and tramway vehicles, \$278,378 (\$146,704); implements and tools, \$63,648 (\$27,384); hardware, \$24,391 (\$11,377); lubricating oil, \$149,566 (\$59,063); grease, \$17,153 (\$960); glassware, \$20,467 (\$7,371); salted and pickled meats, \$63,491 (\$28,642).

There were decreases in the imports of electrical machinery, manures, and paper and paper manufactures.

IMPORTS FROM OTHER COUNTRIES

The following table shows the principal imports from other important supplying countries:—

Principal Imports from Other Countries

	1941	1940
British India—		
Bags and sacks	\$237,406	\$560,934
Beans, peas, lentils	105,426	54,783
Dholl	67,215	43,693
Seeds	32,515	6,093
Rubber-soled canvas shoes	26,759	31,845
British West Indies—		
Manurial lime	70,918	41,915
Crude petroleum	319,855	143,482
Refined oils	225,454	118,066
Motor spirit	189,824	147,186
Hongkong—		
Cotton piece-goods	64,504	18,760
Apparel	67,124	75,314
Hosiery and underwear	42,560	21,861
Boots and shoes of rubber	30,398	25,680
Eire—		
Butter	37,265	83,111
Newfoundland—		
Fish, smoked or dried	56,907	42,687

OPERATIONS OF THE AUSTRALIAN TARIFF BOARD, 1941-42

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, October 2, 1942.—According to the Annual Report of the Commonwealth Tariff Board for the year ended June 30, 1942, the nature of the Board's activities has been materially changed since the outbreak of war. In pre-war years the work of this Board was of considerable interest to the other Dominions in the British Commonwealth of Nations, since it dealt with all major matters of tariff policy and changes and indicated the trend of fiscal policy in the Commonwealth. During the war years, however, revision of the Customs Tariff has been of minor importance, and the bulk of the Tariff Board's work now relates to matters referred to it by the Government under the National Security Regulations.

Indicative of the type of investigations now being carried out by the Board, reports furnished to the Government during the year under review totalled thirty-four, of which three related to matters which had been made the subject of public inquiry, viz: (a) question of the rates of duty that should be imposed on enamelled wire; (b) whether the existing margins between the cost of wheat to Australian flour millers and the prices received for flour are reasonable and, if not, what margin would be reasonable; and (c) whether the Cable and Wire Bounty Act, 1941, should be extended beyond June 30, 1942, or whether the bounty should be replaced by the imposition of customs duties.

Three reports were on the question of bringing into operation the payment of deferred rates of duties provided in the customs tariff.

Twenty-four reports followed investigations made on behalf of the Department of War Organization of Industry. These dealt largely with the Commonwealth's efforts to rationalize a number of important industries producing essential goods required for Australia's war needs, such as boots and shoes, cotton and woollen textiles, moulding powders and materials; production of scarce materials; industrial statistics; relations between Government and industry; and readjustment of the cycle, match and electrical industries.

Four reports were on applications by various companies under the National Security (Capital Issues) Regulations.

Of particular interest was the decision by the Commonwealth Government to utilize the wide experience of the Tariff Board to investigate and report and submit recommendations of the general problem of the re-establishment of secondary industries as part of the Commonwealth's post-war reconstruction plan, in particular:—

1. The extent to which it will be technically possible to adapt for civilian industry, plant, equipment, materials and manpower (male and female employees) employed in defence production, and to what extent (so far as can be foreseen) such adaptation is likely to be economically desirable.

2. The disposition of surplus plant, equipment and stores of materials from the defence and other industries after the war.

3. Any measures that may be required to facilitate the re-establishment after the war of industries or concerns contracted or closed down during the war.

4. To what degree will any proposals made solve the problem of the absorption into civil avocations of members of the forces.

5. Changes in the organization and structure of Australian secondary industries since 1939 tending to increase industrial concentration, and any action arising therefrom that may be desirable in the interests of consumers.

6. The possible effects of developments in Australia and overseas on the Australian system of encouragement and protection to industry by tariffs and bounties.

7. Other matters relating to the establishment, diversification, development and location of Australian secondary industries after the war.

The Chairman of the Commonwealth Tariff Board states in his report that in normal times most, if not all, establishment of new industries and extension of existing industries required tariff protection against imports, and consequently the Board, when dealing with applications for such protection, was naturally well informed on the developments of industry. As a result of urgent wartime needs, however, there has been since the outbreak of war, as in the other Dominions, many important developments in manufacture which have been undertaken at the instance of the Government without the usual pre-war necessity of decisions involving tariff protection, bounties or preferential treatment.

In any long-term planning, however, in connection with post-war problems, the future of such industries established under the stress of wartime conditions must of necessity form an important part in such investigations as the Board may carry out. In the last two annual reports of the Tariff Board attention was drawn to the necessity for closer regulation of wartime industrial expansion into avenues not directly leading to enhanced war effort, but, since the entry of Japan into the war, this necessity has for the time being disappeared, as neither labour nor materials can now be obtained in sufficient quantities to begin new industrial activities if they are not directly connected with the war effort.

TARIFF AMENDMENTS

During 1941-42 only minor tariff proposals were submitted to the Australian House of Representatives, of which five related to the customs tariff, three to

the customs tariff (New Zealand preference), two to the customs tariff (Canadian preference), and four to the excise tariff. None of these proposals required discussions by Parliament, nor did any of them impose any new protective duties; their main purposes being: (a) the continuation of duties already introduced in previous proposals; (b) as complementary to the budget; (c) to reduce the proposed duty on imported dates; (d) to abolish the excise duty used to raise funds for the Federal Tobacco Advisory Committee, now superseded.

Proposals continuing the operation of the special war duty of 10 per cent of customs duty collected were also introduced, and the duty remains in operation.

COMPETITIVE POSITION OF AUSTRALIAN INDUSTRY

The Commonwealth Tariff Board, as in past years, has tabled certain comparisons of costs of basic materials and services as between Australia and the United Kingdom. These figures afford a useful guide to Australia's competitive position in so far as costs of production are concerned and also show the marked advance that has been made by the Commonwealth from an industrial standpoint.

PRICE MOVEMENTS

For example, a comparison of iron and steel prices, on which a wide variety of manufactured products are dependent, shows a marked change between July, 1939, 1941 and 1942, as shown in the following table; the prices compared are British f.o.b. domestic prices and the Australian manufacturer's price c.i.f. capital Australian ports:—

Comparative Prices of Iron and Steel

	May-July, 1939			July 2, 1941			July 1, 1942		
	Australia £A.		United Kingdom £ Stg.	Australia £A.		United Kingdom £ Stg.	Australia £A.		United Kingdom £ Stg.
Pig iron.. . . .	4	10	0	5	15	6	4	10	0
Structural steel. . .	10	2	8	10	8	0	10	2	8
Merchant bars . . .	10	2	8	10	17	0	10	2	8

The marked increase in f.o.b. domestic prices in the United Kingdom as compared with those in Australia is due to various factors resulting from war-time conditions. The fact that the cost of iron and steel in Australia has remained constant during the first three years of war provides a useful guide to any study of post-war industrial development in the Commonwealth.

A comparison of the trend of coal costs shows an average value for coal in the principal producing state (New South Wales) at pit head of 14s. ½d., Australian funds, per ton in 1941 as compared with 12s. 1d. per ton in 1939. United Kingdom figures for 1939, 1940 and 1941 are not available, but it may be assumed that the cost has not declined.

WAGE MOVEMENTS

The following table shows the increase that has taken place over the past three years in wage movements in Australia and the United Kingdom (index numbers converted to base 1929 = 100):—

Comparative Wage Movements.

	Australia	United Kingdom
June—		
1939	93.42	106.28
1940	94.84	117.34
1941	100.35	128.39
1942 (March)	105.77	134.42

The above figures were supplied primarily because of the effect of iron, steel and coal prices and of wages on the general industrial field, but the Chairman of the Board points out that no complete report on changes in Australian industry as a whole has been made since the outbreak of the war.

Very complete reports, however, have been prepared and authorized for early investigation, which, when officially tabled before the House of Representatives, should provide an accurate indication of the trends in industry throughout the Commonwealth.

TARIFF INVESTIGATIONS

It has been the practice in previous annual reports on the operations of the Tariff Board to comment at some length on those decisions which affected directly or indirectly Canadian shipments to Australia. During 1941-42 no investigations of this nature were conducted, as in normal times, by public inquiry.

It is noteworthy that in practically all industries producing commodities which in normal times would have been subject to increased duties as a protective measure during the early years of development the conditions created by the war have rendered such industries immune from competition from overseas, and no change in duty rates has been recommended, while in cases where bounties have been given to assist development of economically desirable industries such bounties are subject to review.

POST-WAR RECONSTRUCTION

References have been made earlier in this report to the new functions allocated to the Commonwealth Tariff Board in connection with investigations and recommendations on all aspects of the general problem of secondary industries in the post-war period.

In this connection one of the most important problems of post-war reconstruction of world trade, in the opinion of the Board, will be that of control of trade between countries. In its annual report for 1941-42, therefore, the Board comments at some length on the operation of the Ottawa Agreement between Australia and the United Kingdom and its relation to the principles set out in the Atlantic Charter and in Article VII of the Mutual Aid Agreement between the United States and Great Britain.

In previous articles on the operations of the Commonwealth Tariff Board, considerable attention has been paid to the Australian fiscal policy in relation to the Ottawa Agreement, which in turn has had both an indirect and direct bearing on Canadian-Australian trade. In pre-war years practically all the tariff items covering goods which were produced competitively by the United Kingdom and Australian manufacturers, as well as a large number of Canadian imported products, were reviewed by the Tariff Board with numerous resultant changes in the protective incidence of Australian customs duties. In this connection it will be remembered that the Exchange Adjustment Act in 1933 reduced protective duties in the British preferential tariff by approximately 25 per cent, while of 300 items and sub-items then affected 285 carried lower duties than in August, 1932, after review by the Tariff Board.

It is noted also that in the latest report prior to the war, covering the operations of the Commonwealth Tariff Board, it was emphasized that in the three preceding years of 190 reports by the Board on various phases of protection of Australian industries 33 dealt with new industries. Increased protection was recommended in twenty of these cases and refused in respect of the remaining thirteen.

As a result, therefore, of the very complete data gathered by the Board during the past ten years it is considered that a particularly useful basis exists for an intelligent study of post-war re-establishment of secondary industries.

In this connection Articles 9 to 13 of the United Kingdom-Australian Trade Agreement are discussed in the Tariff Board Report under review with particular reference to their impact on post-war industrial conditions, the comments being as follows:—

The United Kingdom and Australia entered the Ottawa Agreement during a period of severe depression under the compelling necessity of taking all steps possible to safeguard and increase employment and standards of living in their respective countries. The Atlantic Charter indicates that, after the war, an effort will be made to remove the necessity for bi-lateral measures of this nature; it is, therefore, to be expected that experience of the working of Articles 1 to 8 of the Ottawa Agreement which relate entirely to bi-lateral preferences will have little bearing on post-war developments. The results of Articles 9 to 13, however, have great significance in that connection; one of the most important phases of the wide problem of international trade relations must be that of the industrial development of younger countries. Such development cannot be prevented; some means of control must be sought and the experience of seven years in applying measures of control must be of great value.

In a further analysis of these Articles, it is shown that preferential treatment of importations into the United Kingdom of Australian primary products is universally admitted to have been of great value to Australian economy. On the other hand, Australian secondary industries experienced one of their most marked periods of expansion. This was particularly noticeable in the number of persons employed in manufacturing, which in the three years to June, 1939, was approximately 450,000 and at the outbreak of war had risen to 565,000.

In addition the report emphasizes that as time went on an increasing number of Australian industries became capable of competing with those in the United Kingdom and other Empire countries under lower protective duties than formerly. The Chairman also emphasized that "these results were not wholly due to tariff policy, but were undoubtedly largely assisted thereby both by the protection afforded to the manufactured goods and by the lowering of Australian costs of production resulting from reductions in duties on materials not produced in this country."

The report further states that "Australian industrial expansion was inevitably largely at the expense of particular sections of British industry, though actually the percentage of Australia's total imports supplied by the United Kingdom was approximately the same in the late thirties as in the late twenties, but, despite this marked advantage to Australia, the British Government expressed satisfaction in 1938 with the results of the Australian-United Kingdom Agreement".

That experience suggests that future trade agreements designed to regulate industrial development must (a) recognize that sovereign democratic governments must have full autonomy in the control of internal activities, including industrial development; (b) set out a basis for framing protective measures; (c) provide, in particular, that any party has the right to request any other party to review existing protective measures and also the right and opportunity to express itself in regard to proposed alterations.

As a means of achieving agreement on these basic points, the Tariff Board has submitted to the Commonwealth Government certain suggestions which need not be enumerated in this article; in effect they indicate that the means whereby trade between the United Kingdom and Australia has been regulated for seven years, with results agreed to be "fairly satisfactory", could be followed in principle, although not adhering too strictly to the terms of the Ottawa Agreement, the main points being an attempt to avoid those regulations which have caused friction while retaining those which have been found of definite value.

FUTURE ACTIVITIES OF THE TARIFF BOARD

Following the preliminary investigations and recommendations submitted by the Tariff Board in connection with post-war problems, the Commonwealth Government appointed a committee consisting of the Commonwealth Statistician and a member of the Tariff Board to inquire into and report on the following:—

1. The information concerning commercial and industrial activities needed for the discharge of their duties by existing Commonwealth and State Government Departments and instrumentalities.

2. The information likely to be needed in future to facilitate the best organization of industry for war effort and the formulation of plans for reconstruction.

3. Present governmental and non-governmental fact-finding activities with (a) the nature of the information collected, and (b) the methods and staff employed and the cost of the service.

4. Action necessary to effect any extensions or improvements which may be found to be desirable in existing fact-finding activities.

In this connection it is expected that the compilation of reports under the foregoing headings will be of material assistance in the solution of immediate post-war problems and will provide useful data for an intelligent study of Australia's industrial problems and future economy.

Finally the Tariff Board announced that, as part of its investigations into post-war reconstruction and development, inquiries will shortly be carried out into the industries producing the following commodities, regarded as of definite value to Australian industry as a whole: aircraft; boots, shoes and leather; cutlery and plateware; china and porcelainware; motor vehicles; tractors and roadmaking plants; excavating and dredging machinery; optical instruments; telephones and telephone apparatus; paper and boards.

NEW ZEALAND MEAT AND WOOL

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, November 16, 1942.—Based on information recently published, the following brief report is submitted on the meat and wool situation in New Zealand.

MEAT

On the basis of estimates for the season ended September 30, the position of the New Zealand meat industry is reported as much improved as compared with that of a year or eighteen months ago. The export killings for the season were 268,439 tons, including 169,567 tons of lamb. The kill for canning purposes was 61,891 tons, making a total kill of 330,330 tons. The 1941-42 season began on October 1, 1941, with a carryover of 88,408 tons, including 77,903 tons intended for export. At September 30 last the carryover from the season just ended stood at 44,813 tons. The maintenance of shipping facilities made possible this favourable showing in export figures, which reached 301,529 tons; a year ago it was estimated that only 190,000 tons would be shipped. Of the carryover now on hand it is expected that 21,500 tons will go to the armed forces, leaving 23,313 tons available for the United Kingdom.

Thus New Zealand starts the new season practically unencumbered with stocks of meat. Storage space in the Dominion, which was increased last year to 256,000 tons in the face of a threatened drop in exports, is now sufficient to take care of the whole of this season's meat if necessary.

Developments in the manufacture of dehydrated meat are of increasing interest. Recently the United Kingdom Government authorized the commercial manufacture of this product, and a contract for 100 tons per month was arranged. Plans have been made for building a suitable plant in accordance

with specifications forwarded from London. It is agreed that dried meat should not be produced at the expense of existing canned-meat contracts, and no meat is to be dried that is required for export in frozen form.

The undertaking given by the New Zealand Government last year to purchase the normal exportable surplus after three months, irrespective of whether it had been shipped or not, has been renewed for the current season. Throughout the early part of last season, when a large carryover was anticipated, this agreement by the Government to purchase all normal surplus had a stabilizing effect on the industry.

Prospects for the 1942-43 season are at time of writing generally favourable. Weather conditions have been such that quantities and condition of live stock promise well. A call for increased production, however, comes at a time of serious labour difficulties and shortage. Until September 15, 8,000 men had been released from the army to maintain production. In addition to help from the Women's Land Service, more experienced men are required, both for production and killing, if higher figures are to be achieved. On the marketing end, provided shipping remains on the present scale, no difficulties are anticipated, particularly in view of increasing demand from the forces in the Pacific area.

WOOL

New Zealand's wool year, ended June 30 last, was marked by increased production. Gross proceeds for the twelve months amounted to £118,172,747. The quantity of wool disposed of was 985,350 bales, made up of 826,759 bales of greasy wool and 158,591 of slipe wool. Gross proceeds from greasy wool totalled £14,498,551, or 12½d. per pound, and the slipe brought £3,674,195, or 16·9d. per pound. From a total of 800,006 bales of greasy wool, the quantity disposed of in 1940-41, £13,971,978, or 12·24d. per pound, was realized. The figures for the 1939-40 season were 740,622 bales and £938,637, or 9·1d. per pound.

Of the wool appraised for the year ended June 30, 1942, crossbreeds and similar wools accounted for 97·5 per cent and merino for 2·48 per cent. Lamb wool accounted for 4·2 per cent, and fleece for 95·8 per cent. Wool carried over as at June 30 last was 19,821 bales, all greasy.

Exports of wool during the last three twelve-month periods ending June 30 were as follows: 1940, 806,098 bales (£14,663,644); 1941, 591,625 bales (£11,609,011); 1942, 733,774 bales (£14,439,073).

Canada took 3·7 per cent of these exports in 1940, 14·2 per cent in 1941, and 15·6 per cent in 1942.

HOUSING IN SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, December 3, 1942.—In Part II of a report entitled "Housing in Scotland," published in *Commercial Intelligence Journal* No. 2031 (January 2, 1943), page 6, it is stated that the administration of housing schemes in Scotland is under the control of the Department of Health for Scotland in Edinburgh and is independent of similar control exercised in London for housing in England and Wales. It is stated further that, while any legislation to be enacted by Parliament covering reconstruction, to include housing, would affect the whole country, this does not imply that such legislation, if required, will be uniform for the whole of Britain, or rather that it will be uniformly applied. On the contrary, while the program for Scotland would have to fit into the national framework, allowance would doubtless be made for the varying requirements of Scotland. Housing plans in any case would have to be initiated by the Scottish Department and local authorities irrespective of what plans are best adapted to, say, the South of England.

The Government has now definitely announced that, while a separate Ministry for Town and Country Planning is to be set up for England and Wales, similar functions are to remain the responsibility of the Secretary of State for Scotland (who is the political head of the Department of Health for Scotland). This means that no new Ministry is to be established for Scotland and that local planning is to be carried out independently of anything that may be done in England. It was expected that the two countries would be dealt with in a single bill, but it is understood now that separate legislation will be enacted for Scotland, which will be in accordance with the special and distinctive requirements of the country. This decision is indicative not so much of self-government as of self-administration, and it lends weight to the recommendation of this office in the above-mentioned report that firms in Canada interested in securing contracts after the war for prefabricated wooden houses in Scotland should not delay in co-operating with the Department of Health by the exchange of information and plans in advance, so that no time will be lost in placing contracts immediately men, machines, timber and shipping become available after the war. The inquiry received by the Trade Commissioner's office from the Secretary of State for Scotland (through the Department of Health) is for 6,000 to 10,000 houses as a beginning. It is suggested that interested Canadian firms communicate with the Department of Trade and Commerce, Ottawa.

FIRST OFFICIAL ESTIMATE OF ARGENTINE GRAIN PRODUCTION, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that the first official estimate of the production of grain in Argentina for 1942-43 was announced by the Argentine Department of Agriculture on December 12. According to this estimate the production of all grains, except flaxseed and barley, for the current crop year will be above that of 1941-42. Production of wheat is increased by 8.2 per cent; oats by 55.6 per cent; rye by 42.9 per cent; and birdseed by 15.4 per cent. The estimate for flaxseed is the same as for last year, while that for barley is reduced by 13.5 per cent.

Comparative figures of production in recent years is shown in the following table:—

Argentine Grain Production

	1st Estimate 1942-43	1941-42	1940-41	1939-40	5-Yr. Average 1937-38 to 1941-42
	Figures in Bushels				
Wheat	242,484,000	224,114,000	299,431,000	130,720,920	248,190,897
Flaxseed	62,992,000	62,992,000	59,842,400	42,535,484	56,678,194
Oats	45,395,000	29,182,500	34,986,575	52,048,610	42,894,384
Barley	14,697,600	16,994,100	31,645,770	33,349,773	24,190,275
Rye	7,874,000	5,511,800	9,460,611	14,566,900	9,865,098
Birdseed (short tons) . .	33,000	28,600	33,220	31,350	32,742

CHILEAN POULTRY INDUSTRY

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Santiago, December 4, 1942.—According to Chilean statistics there were 246 poultry-raising establishments in operation in Chile in 1942. Leghorns were principally raised; other types included were Rhode Island Reds, Catalinas, and Wyandottes.

The majority of poultry farms are in Santiago province. These number 145 and account for 60 per cent of the total number in the country. The numbers of poultry on these farms since 1937, have been as follows: 1937, 233,712; 1938, 331,222; 1939, 293,393; 1940, 254,185; 1941, 326,083; 1942, 288,696.

Of the figure given above for 1942, those in the province of Santiago accounted for 173,991. According to the General Department of Statistics, the number of pullets in Chile in 1942 totalled 949,000.

EGG PRODUCTION AND EXPORTS

Total egg production in recent years of those farms that have supplied returns was as follows: 1936, 20,309,410; 1937, 30,428,325; 1938, 32,719,903; 1939, 26,810,682; 1940, 36,121,206; 1941, 29,219,296.

Exports of eggs from Chile have decreased greatly, particularly since 1939, due to the fact that the bulk of the shipments were forwarded to Germany. For example, in 1938, exports to that country amounted to 437,698 gross kilos, representing 92 per cent of the total egg exports. Shipments during the past six years have been as follows; the returns are in kilos of 2·2 pounds gross weight, which includes the weight of the containers: 1936, 455,748 kilos; 1937, 324,159 kilos; 1938, 475,516 kilos; 1939, 204,951 kilos; 1940, 25,442 kilos; 1941, 14,587 kilos.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 58, effective January 4, 1943, Export Permit Regulation No. 22 (a) is amended by the deletion of the second sentence and the substitution of the following therefor: "If movement from point of lading, as shown by the waybill, has not been made by the expiry date stamped on the export permit, the permit automatically expires."

Previously exporters were required to have completed shipment from the Canadian port of exit by the expiry dates stamped on their export permits. In accordance with the above amendment it is now sufficient if exporters have the goods laden on board the carrier en route to the port of exit by the expiry date.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

LIMITED EXTENSION OF IMPORT LICENCES FOR MOTOR-VEHICLE PARTS

Replacement parts of motor vehicles classifiable under 47 headings of the Australian Customs tariff were grouped together for import licensing purposes by an Order of February 26, 1940 (see *Commercial Intelligence Journal* No. 1890: April 20, 1940, page 605). Issue of licences under this Order was suspended on January 1, 1942, but resumed under an Order issued February 2, to continue until March 31, 1942, only. The Canadian Trade Commissioner in Sydney cabled on December 30 that outstanding import licences covering motor-vehicle replacement parts from North America were extended to March 31, 1943, beyond which date re-extension would be possible only on proof that shipments were in transit.

Northern Rhodesia

DUTY SUSPENDED ON IMPORTS BY THE EXPEDITIONARY FORCE INSTITUTE

A Notice in the Northern Rhodesia Government Gazette of November 27, 1942, suspends as from November 1, the duty on goods imported by the Expeditionary Force Institute, provided an undertaking in writing is given to the Comptroller of Customs and Excise by an officer of the Institute that goods admitted free of duty will be sold only to members of His Majesty's naval, military or air forces.

British Guiana

IMPORT LICENCES TO BE ISSUED FOR ONE YEAR

The Controller of Supplies in British Guiana announced on December 19, 1942, that licences to import goods into British Guiana will in future be issued for a period of one year from date of issue, and will, if necessary, be extended on proof being submitted that the order on the suppliers covering the goods has been accepted.

Bahamas

DUTIES INCREASED ON ALCOHOLIC BEVERAGES AND CIGARETTES

Amendments to the Bahamas Customs tariff, assented to on December 1, 1942, increased duties on certain alcoholic beverages, effective from September 24, 1942, and on cigarettes, effective from September 28, 1942. The new rates, with former rates within parentheses, are:—

	British Preferential Tariff	General Tariff
Aleper case 6 gals.	11s. plus 1d. per reputed pint (6s.)	11s. plus 1d. per reputed pint (6s.)
Beerper case 6 gals.	11s. plus 1d. per reputed pint (11s.)	11s. plus 1d. per reputed pint (11s.)
Brandyper doz. reputed quarts	17s. 6d. (11s.)	35s. (17s.)
Gin, underproof in bottlesper doz. reputed quarts	39s. (21s.)	78s. (37s.)
Rum, underproof in bottlesper doz. reputed quarts	35s. (17s.)	35s. (17s.)
Rum, underproof in bulkper gal.	12s. (8s.)	12s. (8s.)
Rum, overproof in bulkper proof gal.	12s. (8s.)	12s. (8s.)
Whisky, underproof in bottlesper doz. reputed quarts	35s. (17s.)	58s. 4d. (25s.)
Cordials and liqueurs containing not more than 40% spirits per doz. reputed quarts	35s. (17s.)	35s. (17s.)
Unenumerated spirits, containing more than 40% spirits per gal.	19s. (10s.)	19s. (10s.)
Cigarettes, other than cigarettes made entirely from Empire tobaccoad val.	50% (50%)	50% (50%)
plus per 100	7½d.	7½d.
Cigarettes, made entirely from Empire tobaccoad val.	25% (25%)	50% (50%)
plus per 100	3¾d.	7½d.

British India

IMPORT OF WAR COMFORTS

With reference to the article in *Commercial Intelligence Journal* No. 2028 (December 12, 1942), page 549, regarding free entry of goods, other than wines, spirits and alcoholic liquors, imported by parcel post as "war comforts" by members of the British, Dominion and Allied forces serving in India, the Government of India now states, according to advice received from Mr. M. R. Ahuja, India Government Trade Commissioner at Toronto, that this concession is not applicable to commissioned officers. It is also announced that the Government of India has waived the application of all customs formalities in respect of mail bags received and despatched by United States Army Post Offices which have been allowed to function in India to serve United States troops and civilian personnel connected with military operations. Gifts sent by post to United States forces in India are, therefore, exempt from customs duty.

RENEWAL OF IMPORT LICENCES

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, cables that the Indian Government has advised that import licences issued during the period July to December, 1942, will be automatically renewed for the period January to June, 1943, in cases where shipments are not completed by the end of the year.

United States-Uruguay

TRADE AGREEMENT PROCLAIMED

A trade agreement between the United States and Uruguay, signed on July 21, 1942, was proclaimed by the President of the United States on November 10, 1942, and ratified by Uruguay. An exchange of the proclamation and of the instrument of ratification took place at Washington on December 2, 1942, thus bringing the agreement into force thirty days later, or on January 1, 1943. It is to remain in force for three years and thereafter until the expiration of six months' notice by either party of its termination. The tariff concessions accorded by each country to imports from the other were summarized in *Commercial Intelligence Journal* No. 2011 (August 15, 1942), page 171, and are applicable to Canadian goods on account of the most-favoured-nation agreements in force between both of these countries and Canada.

Argentina

EXCHANGE FOR TOBACCO

Mr. J. A. Strong, Canadian Commercial Attaché at Buenos Aires, writes that, under an amendment to Argentine exchange control regulations issued on December 10, 1942, exchange for payments for imports of leaf or cut tobacco may now be obtained at the rate of 4.21 pesos to the United States dollar, the so-called "second preferential" rate. In the case of countries in the dollar area (including Canada), this rate will apply until March 31, 1943, to tobacco already in bond or which may be cleared before that date, if the corresponding exchange has not already been applied for. Formerly imports of tobacco were financed at the "auction" rate of 4.95 pesos to the United States dollar.

Chile

DUTY-FREE ENTRY OF NEWSPRINT PAPER

Mr. M. J. Vechsler, Canadian Trade Commissioner at Santiago, advises that in the Chilean law of October 20, 1942 (reported in *Commercial Intelligence Journal* No. 2026: November 28, 1942, page 500), concerning exemption from duty of certain printing paper and change in watermark requirements, the term "periodicals" includes "newspapers," and that, consequently, newsprint paper is accorded free entry provided it complies with certain specifications. These are: (a) weighs not more than 165 grams per square metre; (b) is white or with light tone colour, such as cream, pearl, pink, light blue or similar; (c) is free from animal sizing; (d) contains more than 30 per cent mechanical paste; (e) can be penetrated by writing ink; (f) has watermark consisting of parallel lines 4 centimetres apart (with a tolerance of 2 millimetres either way).

Haiti

DOCUMENTATION OF SHIPMENTS SIMPLIFIED

Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, writes under date December 18, 1942, that according to a decree of the Republic of Haiti, dated August 7, 1942, the required number of copies of consular invoices for shipments to Haiti has been reduced from seven to four. These must be visé by the Haitian Consul at port of shipment or, in his stead, by any other consul in the same country duly authorized by the Haitian Government. Consuls of Haiti are located in Canada at Halifax, Quebec, Montreal and Toronto.

It is further stated in the decree that for the duration of the war bills of lading need not bear the visé of the Haitian Consul. They must, however,

be duly certified as correct by the captain of the carrying vessel or his representatives at port of shipment.

Ships' captains, in terms of the new decree, may now have their manifests visé at the port of shipment by the Haitian Consul or, in his absence, by his accredited representative. Ships' captains are required to make a sworn statement before the Haitian Consul or his alternate, which is to be transcribed at the bottom of the manifest, to the effect that the manifest shows exactly the articles shipped on board and that the quantities recorded agree in all respects with those indicated in the bills of lading.

Egypt

REGULATION OF THE IMPORT AND SALE OF SOAP

In a report dated November 17, 1942, Mr. Richard Grew, Canadian Trade Commissioner at Cairo, advises that, in accordance with regulations that have gone into force in Egypt, soap may not be imported, sold or exposed for sale, placed on sale or stocked for the purpose of sale unless it falls under one of the following categories: (1) "Nabolsi", or pure olive oil soap, a pure soap, with no additional materials, manufactured from pure olive oil without the addition of oils or fats of any kind whatsoever; (2) soap No. 1, which is exempt from additional material, containing at the time of manufacture at least 62 per cent fatty acids or resin; (3) soap No. 2, which contains at the time of manufacture at least 50 per cent of fatty acids or resin; (4) soap No. 3, which contains at the time of manufacture at least 40 per cent of fatty acids or resin.

Soap, as also its containers, must be stamped with an indication of the class to which it belongs. The name "Nabolsi" must be followed by the place of manufacture (if the soap is manufactured anywhere outside of the town of Naplouse in Palestine). The names of soaps in categories 1, 2, and 3, manufactured from the formula of "Nabolsi", should be followed by the word "Baladi" (native). The soap "Nabolsi", as also that of categories 1, 2, and 3, manufactured from the formula "Nabolsi", may only be sold by weight. Other types of soap may only be sold, exposed for sale or placed on sale, stocked for the purpose of sale or imported when the tablets are of the following weights: 400, 250, and 150 grams. Each tablet of soap must be stamped with its weight at the time of manufacture. The container should also bear an indication of the number of pieces it contains and of the total weight of each package. It is sufficient for soap manufactured from pure olive oil and soap No. 1, sold in tins, to bear on the tin an indication of its class and weight. The Ministry of Commerce and Industry will establish by decree the weight of the container.

The dispositions of the present Decree are not applicable to medicated soaps in powder or liquid form, to potash soaps, soft soaps and toilet soaps, provided the class of soap is indicated on the product or on the wrapper and that the proportion of fatty acids or resins in the toilet soap is not less than 70 per cent.

Belgian Congo

IMPORT CONTROL REGULATIONS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes under date December 1, 1942, that following the signing of the Anglo-Belgian Financial Agreement, on January 21, 1941, regularizing business between the Belgian Congo and the United Kingdom and, as a part of common wartime policy, import control was instituted in the Belgian Congo and Ruanda-Urundi as from April 1, 1941.

Ordinance No. 108, dated March 10, 1941, provides that all imports into the Belgian Congo and Ruanda-Urundi shall be subject to prior acceptance of application for an import licence by the Commission set up by the Administration

of the Belgian Congo. Exceptions were provided for goods en route before April 1, 1941, and for commercial samples, luggage and personal effects of travellers, and articles (not for sale) imported by parcel post.

The importation of securities and other credit documents, by whatever route, is subject to customs declaration and permissible only by licence. This subject will be dealt with more fully in a report on exchange control in the Belgian Congo, which will be published in next week's issue of the *Commercial Intelligence Journal*.

METHOD OF OPERATION

Ordinance No. 109, published and effective on the same dates as No. 108, provides for the operation of import control. It established the Import Control Commission, comprising the Director of the Banque du Congo Belge and the Chiefs of the Departments of Finance, Customs, and Economic Affairs or their representatives. This Commission is empowered to grant, reduce, postpone or refuse applications for import licences, but provision is made for appeal to the Governor General against decisions of the Commission. Application may be made through any branch of the Banque du Congo Belge. When an application is granted, two copies of the form are validated; one of these is used in the purchase of the necessary foreign exchange, while the other is for submission to the Customs Department when the goods arrive. If goods are imported without payment, then only the customs copy is issued. Permits expire automatically at the end of six months, and any authorized foreign exchange which is not used must be returned to the Banque du Congo Belge.

Ordinance No. 373, of August 13, 1941, stipulates that fines are to be imposed in cases where importations are made without prior application for an import licence or are made in spite of licence applications having been refused. This Ordinance was replaced by No. 189, of June 10, 1942, referred to below.

In a public notice published in the *Bulletin Administratif* of March 25, 1942, attention was called to Ordinances Nos. 109 and 373. The Import Control Commission reiterated that licences will not be granted for goods not considered essential, and that penalties will be imposed for infractions of the regulations.

Ordinance No. 189, dated and effective June 10, 1942, supplanted No. 373 by merging it in No. 109 and additionally providing that goods imported without permit must be re-exported within a month or become subject to confiscation, sale proceeds to go to the Treasury. Provision was also made whereby goods in bond may not be entered for consumption without an import permit, but goods in transit are not subject to Ordinance No. 109.

Turkey

INVOICES AND CERTIFICATES OF ORIGIN

According to advice received from the Turkish Consulate General in New York, the requirement that commercial invoices dated after August 19, 1942, for shipments to Turkey be certified by the Commercial Attaché has been suspended until further notice.

The position now is that, in addition to the usual commercial invoice in duplicate, a combined certificate of origin and consular invoice is required with all shipments to Turkey. Three or four copies of this document should be prepared. Shippers must supply their own blanks. The slightest erasure or correction is not permitted. For exports from Canada to Turkey the certificate must include a declaration that the goods are of Canadian origin. The value and weight of the contents of each case in kilograms must be shown in detail separately on the invoice. An accurate and specific description of the merchandise, the cost of the goods at the factory, the inland freight and cartage, and the total f.a.s. value must be given. If the c.i.f. value is shown on the commercial invoice, the value also must be shown on the combined form, in addition to the factory and f.a.s. value. Insurance fees, ocean freight and other charges,

total gross and net weights, number of packages, and marks, as well as the names and addresses of the consignee and of the shipper must be shown. Two copies must be certified by a chamber of commerce or recognized merchants' association and then presented to the Turkish Consulate General, 50 Rockefeller Plaza, New York, for viséing. A copy of the commercial invoice must be presented with the combined form, and is retained by the Consul.

The consular fees for viséing certificates of origin are as follows: If the f.a.s. value of certificate is under \$50, no charge; if the value is from \$50 to \$2,000, one-half of one per cent of the declared f.a.s. value. If the value is over \$2,000, the consular fee is one-half of one per cent up to \$2,000 value, and one-quarter of one per cent for the remainder. Fees are to be paid in advance. Certified cheques should be made to the order of the Turkish Consulate General, New York; stamps are not accepted. If certificates are to be returned by mail, addressed and stamped envelopes should be enclosed.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 4, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 4, 1943, and for the week ending Monday, December 28, 1942, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Dec. 28	Nominal Quotations in Montreal Week ending Jan. 4	Official Bank Rate
Great Britain.	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2617	.2613	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0572	.0572	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3330	.3330	—
Uruguay.	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5853	.5853	—
South Africa.	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand.	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, Director

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

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Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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TRADE OF BRITISH GUIANA IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

II. Imports from Canada

Imports from Canada in 1941 showed an increase of 102 per cent over the value for the previous year. Mainly as the result of trade diversion, imports of manufactured products rose by \$2,500,153 to attain a record total of \$3,759,013; foodstuffs increased by \$877,292 to total \$2,804,979, while there was a slight decline, on account of import restrictions, in imports of raw materials, which were valued at \$63,110. The total value of imports from Canada amounted to \$6,627,102 as compared with \$3,274,028 in 1940.

As in the previous year, condensed milk was one of the main items in which there was an outstanding increase, the value of purchases in 1939 being \$2,180; in 1940, \$89,830; and in 1941, \$209,846. Butter imports rose in value to \$108,796 from \$24,660 in 1940. In this connection, a Canadian firm developed a successful method of making salted cooking butter suitable for the West Indian market, which enabled it to participate in a trade which former exporters in Eire, the United Kingdom and France could no longer adequately maintain.

Imports of fish of all kinds from Canada showed a sharp rise of \$230,560 in value to \$467,987. A strong upward movement was also noted in imports of pickled meats, which were valued at \$82,964 (\$38,770 in 1940); onions and garlic, \$73,738 (\$31,696); lard and substitutes, \$67,820 (\$38,569); beer, ale, stout and porter, \$62,056 (\$36,305); and cheese, \$63,848 (\$45,441).

In 1939 imports of cotton piece-goods from Canada were valued at \$878; by the end of 1940 the value had risen to \$35,741, and at the close of 1941 it had advanced to \$307,601. Boots and shoes more than doubled their 1940 import value of \$92,427 to total \$205,084 in 1941. The largest single increase, however, was in manufactured manures, which were valued at \$585,126 as com-

pared with \$5,572 in 1940. There were heavy increases also in imports of the following: metals, \$461,762 (\$246,714 in 1940); machinery, \$277,287 (\$103,377); railway vehicles, \$143,256 (\$3,044); mining machinery, \$208,839 (\$85,883); art silk manufactures, \$122,237 (\$29,666); paper and paper manufactures, \$167,413 (\$103,703); cement, \$120,992 (\$68,732); and motor cars, \$80,543 (\$47,773).

Following are details of 1941 imports of commodities of interest to Canadian shippers, figures within parentheses being for 1940:—

FOODSTUFFS

Beer, Ale, Stout (in Bottle).—Total, 113,712 gal., \$141,629 (144,982 gal., \$170,876): United Kingdom, \$79,423; Canada, \$61,706 (\$36,115).

Butter.—Total, 583,443 lb., \$204,657 (554,052 lb., \$181,723): Eire, \$37,265; New Zealand, \$15,824; Canada, \$108,796 (\$24,660).

Chèese.—Total, 293,237 lb., \$71,280 (260,674 lb., \$54,085): Canada, \$63,848 (\$45,441).

Prepared Cocoa.—Total, 110,947 lb., \$25,054 (128,597 lb., \$24,552): United Kingdom, \$18,583; Canada, \$6,453 (\$5,368).

Confectionery.—Total, 146,410 lb., \$47,719 (226,352 lb., \$57,302): United Kingdom, \$34,759; Canada, \$12,813 (\$10,936).

Oilcake and Oilmeal.—Total, 1,045,387 lb., \$24,033 (1,076,785 lb., \$25,331): United States, \$10,967; Canada, \$13,066 (\$13,648).

Feeding Grain.—Total, 428,220 lb., \$14,149 (242,820 lb., \$7,656): Canada, \$14,109 (\$7,566).

Canned Fish.—Total, 819,473 lb., \$154,705 (427,086 lb., \$75,985): Canada, \$142,108 (\$64,794).

Pickled Mackerel and Salmon.—Total 7,788 bbl., \$99,724 (3,226 bbl., \$25,630): Canada, \$99,366 (\$25,545).

Fish, Smoked and Dried.—Total 24,365 cwt., \$282,091 (34,160 cwt., \$247,705): Newfoundland, \$56,907; Canada, \$224,442 (\$146,883).

Fresh Apples.—Total, 202,054 lb., \$12,776 (241,382 lb., \$13,318): Canada, \$12,754 (\$12,327).

Canned Fruit, other than Pineapple.—Total, 139,890 lb., \$22,310 (90,216 lb., \$15,354): Canada, \$20,319 (\$7,271).

Oats.—Total, 2,113,900 lb., \$47,095 (1,939,336 lb., \$39,824); all from Canada.

Barley.—Total, 305,884 lb., \$13,063 (252,064 lb., \$11,634): Canada, \$13,055 (\$11,587).

Flour.—Total, 185,617 bags (of 196 lb.), \$998,883 (190,183 bags, \$958,669): Canada, \$998,867 (\$954,429).

Cornmeal.—Total, 2,377 bags (of 196 lb.), \$16,091 (2,868 bags, \$16,782); all from Canada.

Other Farinaceous Preparations.—Total, 698,322 lb., \$53,608 (481,154 lb., \$34,261): British Malaya, \$11,959; Canada, \$25,100 (\$15,082).

Lard and Lard Substitutes.—Total, 561,879 lb., \$67,575 (380,894 lb., \$39,155): Canada, \$67,575 (\$38,369).

Canned Meat.—Total, 268,695 lb., \$64,537 (82,572 lb., \$19,720): Argentina, \$39,732; Canada, \$13,334 (\$4,603).

Beef, Salted and Pickled.—Total, 5,410 bbl., \$150,052 (no separate figures): Argentina, \$107,346; Canada, \$22,642.

Pork, Salted and Pickled.—Total, 5,422 bbl., \$119,451 (no separate figures): United States, \$54,228; Canada, \$60,322.

Meat, n.o.p., including Ham.—Total, 104,083 lb., \$30,613 (134,115 lb., \$38,956): Argentina, \$10,435; Canada, \$15,080 (\$27,064).

Condensed Milk.—Total, 1,630,006 lb., \$234,103 (1,254,708 lb., \$177,022): United States, \$19,099; Canada, \$209,511 (\$89,830).

Coconut Oil, Edible.—Total, 183,376 gal., \$162,556: British West Indies, \$67,469; Canada, \$95,087.

Provisions, Unenumerated.—Total, \$149,100 (\$135,005): United Kingdom, \$51,616; Canada, \$57,141 (\$17,349).

Unmanufactured Tobacco, in Leaf (less than 25 per cent Moisture).—Total, 331,593 lb., \$86,277 (213,696 lb., \$56,945): United States, \$48,558; Canada, \$29,922 (\$18,473).

Fresh Potatoes.—Total, 7,189,732 lb., \$189,956 (7,374,795 lb., \$182,051): British West Indies, \$10,842; Canada, \$179,108 (\$162,354).

Fresh Onions.—Total, 2,011,741 lb., \$119,040 (1,884,676 lb., \$71,014): Argentina, \$30,101; Canada, \$73,738 (\$31,696).

Fresh Vegetables, Other Kinds.—Total, 363,953 lb., \$23,465 (312,070 lb., \$16,675): Canada, \$20,850 (\$12,164).

Dried and Canned Vegetables.—Total, 218,129 lb., \$27,807 (90,216 lb., \$15,354): Portugal, \$7,291; Canada, \$17,300 (\$7,271).

RAW MATERIALS

Oils, n.o.p.—Total, 52,626 gal., \$52,269 (61,491 gal., \$63,579): United Kingdom, \$25,627; Canada, \$26,642 (\$11,385).

Sawn Wood and Timber (Other than Pitch Pine), undressed.—Total, 214,370 super. ft., \$16,777 (77,886 cub. ft., \$50,225): Canada, \$16,588 (\$50,105).

MANUFACTURED PRODUCTS

Cotton Piece-goods (not exceeding 1s. per Yd. in Value).—Total, 5,883,713 sq. yd., \$768,948 (6,488,092 sq. yd., \$703,805): United Kingdom, \$365,210; Hongkong, \$51,218; United States, \$98,518; Canada, \$238,088 (\$31,979).

Cotton Piece-goods, Other.—Total, 1,255,353 sq. yd., \$234,657 (124,438 sq. yd., \$39,784): United Kingdom, \$127,410; Hongkong, \$13,286; United States, \$19,162; Canada, \$69,513 (\$3,762).

Ribbons and Trimmings, Other Kinds.—Total, \$195,180 (\$149,075): United Kingdom, \$150,914; Canada, \$25,683 (\$2,899).

Artificial Silk Piece-goods.—Total, 1,172,731 sq. yd., \$346,811 (1,479,082 sq. yd., \$278,484): United Kingdom, \$180,665; Hongkong, \$29,448; United States, \$11,153; Canada, \$118,363 (\$28,800).

Cordage.—Total, 413,609 lb., \$61,088 (305,194 lb., \$34,550): United Kingdom, \$25,427; Canada, \$35,219 (\$2,039).

Twine.—Total, 171,199 lb., \$44,480 (102,945 lb., \$31,773): Canada, \$28,286 (\$10,975).

Apparel, except Hosiery.—Total, \$173,720 (\$160,309): Hongkong, \$67,124; United Kingdom, \$25,906; Canada, \$71,164 (\$31,266).

Rubber-soled Canvas Footwear.—Total, 20,269 doz. pr., \$117,266 (19,104 doz. pr., \$85,905): Hongkong, \$30,398; British India, \$26,759; Canada, \$56,088 (\$23,289).

Leather Footwear.—Total, 11,254 doz. pr., \$238,763 (19,786 doz. pr., \$294,813): United Kingdom, \$78,459; Canada, \$148,996 (\$69,138).

Rivets, Clinches, Wire Manufactures.—Total, 1,420 cwt., \$20,740 (2,117 cwt., \$27,391): Canada, \$16,370 (\$15,638).

Nails and Spikes other than Horseshoe Nails.—Total, 9,912 cwt., \$53,683 (8,415 cwt., \$41,148): Canada, \$48,144 (\$32,938).

Bolts, Nuts, Washers and Chains.—Total, 2,898 cwt., \$32,961 (3,111 cwt., \$29,078): Canada, \$25,788 (\$11,876).

Galvanized Iron and Steel in Bars, Rods, Sheets, etc.—Total, 12,977 cwt., \$97,318 (13,730 cwt., \$85,118): United States, \$45,181; Canada, \$40,277 (\$5,555).

Black Iron and Steel in Bars, Rods, Sheets, etc.—Total, 16,616 cwt., \$80,163 (18,803 cwt., \$87,376): United States, \$18,859; Canada, \$55,783 (\$59,130).

Punt Plates and Cane-carrier Chains.—Total, 6,861 cwt., \$71,579 (6,954 cwt., \$73,485): United Kingdom, \$46,711; Canada \$16,517 (\$20,237).

Railway and Tramway Materials.—Total, 3,100 tons, \$267,596 (540 tons, \$43,967): United States, \$234,190; Canada, \$33,406 (\$7,257).

Metal Furniture.—Total, \$91,158 (\$72,885): United Kingdom, \$27,548; Canada, \$60,055 (\$31,214).

Iron and Steel Manufactures, n.o.p.—Total, \$280,679 (\$126,325): United States, \$126,313; United Kingdom, \$31,238; Canada, \$121,652 (\$39,204).

Hardware, Other than Furniture, Hollow-ware and Office Machinery.—Total, \$71,384 (\$55,884): United Kingdom, \$33,279; United States, \$24,391; Canada, \$12,405 (\$7,542).

Implements, Other than Agricultural.—Total, \$103,646 (\$62,910): United States, \$62,380; United Kingdom, \$26,674; Canada, \$14,083 (\$5,941).

Insulated Electric Wire and Cable.—Total, \$49,677 (\$37,496): Canada, \$44,237 (\$21,842).

Electrical Goods, Other than Radios and Cooking and Heating Apparatus.—Total, \$117,590 (\$96,448): United States, \$34,491; Canada, \$61,864 (\$18,264).

Electrical Machinery.—Total, 115 tons, \$126,559 (179 tons, \$243,705): United States, \$63,890; United Kingdom, \$25,490; Canada, \$37,090 (\$8,563).

Mining Machinery.—Total, 1,201 tons, \$566,176 (721 tons, \$437,659): United States, \$350,127; Canada, \$208,839 (\$85,883).

Typewriters.—Total number, 295, \$18,227 (144, \$7,011): Canada, \$16,225 (\$5,612).

Sugar Machinery.—Total, 497 tons, \$265,982 (933 tons, \$292,843): United Kingdom, \$180,705; United States, \$68,503; Canada, \$15,679 (\$24,091).

Sewing Machines.—Total number, 3,127, \$131,833 (2,134, \$88,530): United Kingdom, \$42,519; Canada, \$87,072 (nil).

Machines, n.o.p.—Total, 1,646 tons, \$984,091 (569 tons, \$237,758); United Kingdom, \$63,005; United States, \$755,763; Canada, \$164,904 (\$44,707).

Accessories and Appliances, n.o.p.—Total, \$137,354 (\$93,351): United Kingdom, \$27,315; United States, \$36,678; Canada, \$73,361 (\$26,697).

Railway Vehicles and Locomotives.—Total, \$433,405 (\$159,450): United States, \$278,378; Canada, \$143,256 (\$3,044).

Motor Cars, Lorries and Vans.—Total, number, 126, \$106,163 (237, \$185,753): United Kingdom, \$21,571; Canada, \$80,543 (\$47,773).

Motor Car Parts.—Total, \$60,044 (\$46,954): United States, \$23,404; Canada, \$19,914 (\$12,799).

Rubber Tires and Tubes.—Total, \$67,903 (\$44,129): United Kingdom, \$13,933; Canada, \$52,937 (\$27,370).

Glass and Glassware, Bottles, etc.—Total, \$54,093 (\$40,472): United Kingdom, \$23,276; United States, \$18,858; Canada, \$11,603 (\$9,257).

Portland Cement.—Total, 44,292 bbl., \$200,729 (34,360 bbl., \$129,801): United Kingdom, \$78,637; Canada, \$120,892 (\$68,732).

Chemicals, n.o.p.—Total, \$153,961 (\$154,620): United Kingdom, \$80,602; United States, \$23,045; British West Indies, \$21,745; Canada, \$19,933 (\$14,610).

Medicines and Drugs n.o.p.—Total, \$216,155 (\$184,187): United Kingdom, \$85,865; United States, \$62,448; Canada, \$59,208 (\$29,784).

Paints, Colours and Pigments.—Total, 8,756 cwt., \$136,678 (\$10,103 cwt., \$111,141): United Kingdom, \$85,928; Canada, \$48,209 (\$17,350).

Lubricating Oil.—Total, 2,810,653 lb., \$180,798 (1,744,003 lb., \$107,561): United States, \$149,566; Canada, \$15,763 (\$21,448).

Toilet Soap.—Total, 155,658 lb., \$35,564 (101,134 lb., \$23,776): United Kingdom, \$19,933; Canada, \$13,644 (\$5,791).

Printing Paper.—Total, \$42,431 (\$61,443): United Kingdom, \$8,206; Canada, \$27,980 (\$20,202).

Paper Manufacture, n.o.p.—Total, \$281,654 (\$304,508): United Kingdom, \$126,464; Canada, \$136,033 (\$81,866).

Hard Haberdashery.—Total, \$26,910 (\$23,867): United Kingdom, \$10,841; Canada, \$11,962 (\$2,825).

Machinery Belting, Boiler Packing, etc.—Total, \$68,035 (\$57,163): United Kingdom, \$40,847; Canada, \$21,658 (\$8,670).

Sulphate of Ammonia, Nitrates of Lime, Potash and Soda, and Guano.—Total, 3,315 tons, \$210,682 (17,172 tons, \$1,000,247): Canada, \$203,253 (nil).

Oilcloth.—Total, \$12,968 (\$8,496): Canada, \$10,671 (\$7,067).

Perfumery, Cosmetics and Toilet Requisites, except Perfumed Spirits and Soap.—Total, \$92,997 (\$59,357): United Kingdom, \$38,785; Canada, \$48,635 (\$17,202).

Articles, ordinarily Merchantable, Bearing an Advertising Device.—Total, \$33,565 (\$30,757): Canada, \$29,141 (\$18,744).

Goods Manufactured wholly or in Part, n.o.p.—Total, \$220,225 (\$123,844): United States, \$62,177; United Kingdom, \$60,945; Canada, \$88,274 (\$30,508).

OTHER IMPORTS FROM CANADA

The following are total values of imports of which supplies from Canada, indicated within parentheses, were less than \$10,000 in value:—

Unsweetened biscuits in tins, \$3,193 (\$2,385): fodder, \$3,074 (\$2,924); bran and pollard, \$2,172 (\$1,936); high-protein cattle feed, \$5,671 (\$5,594); peanuts, \$18,579 (\$1,722); beans and peas, \$126,731 (\$8,187); jams and jellies, \$10,020 (\$8,118); fresh meat and poultry, \$3,647 (\$1,284); pickles and sauces, \$10,140 (\$5,799); flavouring essences, \$10,827 (\$2,198); tobacco in leaf, 25-38 per cent moisture, \$24,085 (\$9,015); cod liver oil, \$7,370 (\$1,393); greases and fats, \$26,177 (\$5,850); sawn timber, dressed, other than pitch pine, \$9,294 (\$8,674); shocks, staves and headings, \$154,769 (\$1,420); woollen piece-goods, \$191,990 (\$2,170); woollen manufactures n.o.p., \$6,029 (\$1,977); silk piece-goods, \$1,212 (\$832); art silk manufactures, n.o.p., \$8,815 (\$979); linen and hemp manufactures, \$18,599 (\$2,468); millinery, \$6,364 (\$1,921); hats, \$67,783 (\$4,431); cotton hosiery, \$5,691 (\$3,303); silk hosiery, \$7,833 (\$7,798); artificial silk hosiery, \$21,093 (\$7,820); cotton underwear, \$57,848 (\$8,011); artificial silk underwear, \$9,188 (\$6,094); barbed wire, \$9,509 (\$9,509); iron and steel domestic hollow-ware, \$34,597 (\$5,815); metal buckets and pails, \$14,739 (\$7,468); lead and lead manufactures, \$9,883 (\$5,275); mercury, \$3,134 (\$1,121); tin and tin manufactures, \$12,641 (\$3,268); non-ferrous metals and white metal alloys, \$8,178 (\$2,924); cutlery, \$11,682 (\$2,376); agricultural implements, \$38,741 (\$3,775); photographic appliances, other than cinematograph films, \$10,400 (\$6,285); clocks, \$6,596 (\$5,479); watches, \$3,537 (\$3,479); electric heating and

cooking apparatus, \$10,261 (\$7,732); radios, \$31,016 (\$9,871); radio parts, \$14,185 (\$2,048); agricultural machinery, \$42,441 (\$3,725); marine machinery, \$56,223 (\$2,210); chinaware, etc., \$34,599 (\$1,445); glass and glassware other than bottles, table glassware and lamp chimneys, \$30,056 (\$7,703); acetic acid, \$1,803 (\$1,665); calcium carbide, \$4,833 (\$4,551); insecticides, \$38,642 (\$492); painters' materials, other than paints and colours, \$15,350 (\$4,338); common soap, \$162,451 (\$4,299); spirits of turpentine, \$4,089 (\$2,155); varnish and polish, not containing spirits, \$9,795 (\$8,051); trunks, bags and valises, \$7,327 (\$4,541); leather manufactures, other than boots and shoes, harness, and trunks and bags, \$5,351 (\$2,215); paper manufactures, ordinarily merchantable, bearing an advertising device, \$5,448 (\$3,232); wooden furniture, \$12,249 (\$7,699); wooden manufactures n.o.p., \$7,572 (\$5,788); firearms, other than pistols and revolvers, \$7,866 (\$5,822); household brooms and brushes, \$9,951 (\$7,265); electro-plated ware, \$10,123 (\$3,376); polishes and blacking, \$35,944 (\$5,031); perfumed spirits, including toilet preparations and dentifrices, \$13,001 (\$1,531); stationery, other than paper, \$39,011 (\$8,320); toys and games, \$26,786 (\$7,339); varnish and polish, containing spirits, \$3,034 (\$1,539).

MAXIMUM PRICES FOR CANNED SALMON IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, January 9, 1943.—With reference to a brief report on the above subject, published in *Commercial Intelligence Journal* No. 2027 (December 5, 1942), by an amendment to Maximum Price Regulation No. 265, effective December 29, 1942, certain alterations are made in the prices previously established, specific maximum prices of salmon from the Columbia River district being included, as follows:—

United States Prices of Canned Salmon

Variety and Style of Container	Price per Case
Chinook—	
½-lb. flats	\$12.00
Red—	
1-lb. talls	15.00
1-lb. flats	15.00
½-lb. flats	10.00
Coho—	
1-lb. talls	11.60
1-lb. flats	12.30
½-lb. flats	8.00
Pink—	
1-lb. talls	8.00
1-lb. flats	8.00
½-lb. flats	5.60

Variety and Style of Container	Price per Case
Chum—	
1-lb. talls	\$ 7.60
½-lb. flats	5.40
Alaska sockeye—	
1-lb. talls	15.00
1-lb. flats	16.00
½-lb. flats	11.00
Puget Sound sockeye—	
1-lb. talls	18.00
1-lb. flats	19.00
½-lb. flats	11.40

COLUMBIA RIVER DISTRICT

Variety and Style of Container	Price per Case
Chinook, fancy—	
1-lb. talls	\$19.00
1-lb. flats	20.60
1-lb. ovals C.R.	24.00
½-lb. flats C.R.	13.00
½-lb. ovals C.R.	16.00
¾-lb. flats C.R.	6.60
Chinook, choice—	
1-lb. talls	16.00
1-lb. flats	17.60
½-lb. flats C.R.	10.00
¾-lb. flats C.R.	5.20
Chinook, standard—	
1-lb. talls	13.00
1-lb. flats	14.00
½-lb. flats C.R.	8.00
¾-lb. flats C.R.	4.80
Chinook, unclassified—	
1-lb. talls	10.00
1-lb. flats	11.00
½-lb. flats C.R.	6.40

Variety and Style of Container	Price per Case
Silverside—	
1-lb. talls	\$11.80
1-lb. flats	14.00
½-lb. flats C.R.	8.00
¾-lb. flats C.R.	5.20
Steelheads—	
1-lb. talls	16.00
1-lb. flats	17.60
½-lb. flats C.R.	10.00
½-lb. ovals C.R.	12.00
¾-lb. flats C.R.	5.20
Bluebacks—	
½-lb. flats C.R.	13.40
¾-lb. flats C.R.	6.80
Chum—	
1-lb. talls	7.60
1-lb. flats	9.00
½-lb. flats C.R.	5.00

The three main objectives of this action are:—

1. To level off the irregular ceiling prices which existed between various canners along the Columbia River.

2. To set fair and equitable prices, based on 1942 costs, on half-pound flat cans of five types of salmon canned in Alaska, which could not be marketed without loss under the prices originally set in Maximum Price Regulation 265.

3. To provide canner ceilings on sales to civilians and to government buyers for salmon of the Columbia River district, the centre of the salmon industry, which has nearly year-round runs.

It is reported that the original ceiling prices on half-pound flat cans of Alaska Reds, Cohos, Pinks, Chums and Puget Sound Sockeyes were not fair to canners because, while 1941 prices of salmon as a whole were sufficiently high to reflect 1942 costs, few half-pound sizes of these species were sold during March, 1942. The actual average increase over former individual ceilings works out at about 7 per cent and ranges from 25 cents to \$1 per case.

These increases are said to affect only about 4 per cent of the salmon pack, exclusive of the Columbia River area. Thus consumer prices are not expected to rise, since retail prices are high enough to absorb the increase.

Like Alaska salmon, 60 per cent of the Columbia River pack has been committed to the Government for the armed forces.

RESTRICTIONS ON TRANSPORT IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, November 6, 1942.—Since October 29, by order of the Minister of War Organization of Industry, the interstate transport by air, rail, road and sea of a large number of goods has been prohibited in Australia. The continued carriage of relatively unessential commodities was straining the available means of transport. Moreover, cross traffic of similar goods between states had tended to congest Australia's already burdened transport lanes. Production Executive of Cabinet therefore decided that a list should be issued of commodities whose carriage, except under permit, should be prohibited. These include aerated and mineral waters and machines; art metal work; bath salts, crystals, powders and tablets; brilliantine and other hair oils; billiard tables; china, earthenware; crockery; circus or amusement park equipment; cutlery (not industrial); cabinets (including radio and gramophone); cordials and cordial machinery; liquid or semi-liquid creams (excepting cold or vanishing creams); dressing cases and fittings; display stands and models; floor covering of every kind; furniture of every kind; fur coats; garments and accessories; household ornaments; lawn-mowers; motor caravans; pleasure trailers and horse floats; musical instruments; perfumery; radio receivers (domestic); race-course and horse-racing equipment; refrigerators; toys.

The transport of goods that are subject to cross traffic or which are carried interstate to an unnecessary extent is also controlled. For these goods permits are granted more freely than for those listed above. These goods include agricultural machinery and windmills; apparel, n.o.p.; ale, beer and stout; barbed wire; breakfast cereals; boots and shoes; butter substitutes; corrugated galvanized iron sheets; cement; cornflour; cigarettes; cosmetics and toilet preparations, n.o.p.; confectionery; processed cheese; industrial cutlery; cycles and motor-cycles; drapery, n.o.p.; essences; fruit juice and syrup; glassware; gas-producers; hay, straw and chaff; leather goods; leather; machinery; lubricating oil; paints, colours, etc.; personal household furniture and effects; stationery, n.o.p.; soaps, soap powder and flakes; stock salt and licks; sporting goods, n.o.p.;

stoves and heaters; manufactured tobacco; tires and tubes; motor-cars and other vehicles; whisky, spirits and wine. The issue of permits for these goods will be controlled so as to reduce traffic to those that are essential.

Prohibitions do not apply to commodities which Commonwealth Government departments wish to transport or which are carried under the direction of the Commonwealth Government. The prohibitions apply in the case of road, rail and air transport to any journey from any place within 50 miles of any one of the large cities to or through any place within 50 miles of any other of the capital cities. In the case of seaborne transport, the prohibitions apply to all interstate journeys between the principal Australian ports. The order does not affect traffic within a state or interstate traffic between border districts.

Applications for permits are submitted to state branches of the Department of War Organization of Industry and, since each application requires investigation, it must be made well in advance of the desired date of transportation. These permits are issued subject only to freight space being available and do not give an applicant the right to freight space or to any priority for his goods over other goods not on the prohibited list. The various transport authorities determine whether the goods can be carried and the order of priority.

The restrictions were prepared by a committee representing the transport authorities and the principal departments that are concerned with transport. Executive responsibilities remain with each of the transport authorities—the Ministry of Shipping, the Shipping Control Board, the Department of Transport, and the Department of Civil Aviation.

MANUFACTURE OF GLASS IN IRELAND

GEORGE SHERA, OFFICE OF THE CANADIAN TRADE COMMISSIONER

Dublin, November 19, 1942.—The production of glass in Ireland began about 1675, when a "glass-house" was opened in Dublin to manufacture drinking glasses, bottles, lamp globes, glass tubes, experimental glassware, weather glasses, and a variety of other fine glassware. This factory ceased to operate in 1760. In 1730 a second plant was started in Dublin for making bottles and window glass, and flourished for about seventeen years. Another factory, also in Dublin, was opened in 1754, which produced bottles and later window glass. Records show that the bottles made by this concern were of such high quality and so cheap that Great Britain's remunerative trade in bottles exported to this country practically ceased. In addition to those already established between the years 1734 and 1747, two additional firms started manufacturing glass and glassware in Dublin. One of these remained in operation for about seven years and the other for only a short time.

So rapidly did "glass-houses" spring up in and around Dublin, that in 1783 an Act of Parliament was passed prohibiting the building of such factories in certain parts of the city. In the same year a factory was founded in County Waterford by a glass-maker from Stourbridge, England. This concern later produced the world-famous "Waterford" cut glass and remained in operation until 1851. The glass trade of Ireland expanded rapidly, and in 1785 there were nine glass-producing concerns in operation, six making flint glass, one window glass, and two producing bottles.

RAW MATERIALS

Practically all the glass pots used in these industries were made from Stourbridge clay. Most of the requirements in raw materials for producing flint glass were obtained from England, but some were supplied from the Continent. Large quantities of pearlashes, lead, saltpetre, etc., were also

imported from Britain. When the Waterford factory was operating, it purchased small supplies of potash from Quebec. Sand was obtained locally, and quantities of it have been exported to England. Numerous deposits are available in Ireland, chiefly from Muckish Mountain, County Donegal, and in the northern parts of Dublin. Kelp from the west coast of Ireland, mostly from Galway, was also an important item in the manufacturing process, the Irish kelp being regarded as second only in quality to that obtained from the Orkneys in Scotland.

DECLINE OF THE INDUSTRY

In 1746, in order to protect the industry in England, an Act was passed whereby no glass of any kind could be imported into Ireland except from Great Britain, and exports from this country were prohibited. Various other handicaps were imposed on the Irish industry, including a duty on the coal used therein, a tax on exports, and a manufacturers' licence fee. From that period onward there was little inducement to continue making glass in this country, and consequently the industry began to decline. During 1828 the excise tax on Irish-made glass returned £26,000; in 1833 the amount has fallen to £17,000. This duty was, however, removed in 1845, but by this time most of the leading manufacturers had been either forced out of business or their financial positions were such that recovery was almost impossible. Glass-making was continued in Ireland, however, until about 1890 when all operations ceased.

REVIVAL OF THE INDUSTRY

In pursuance of the Irish Government's policy of industrial independence, an effort was made in 1926 to revive this industry. This new start was partly financed by the Government but, on account of keen competition from the United Kingdom and Europe and the lack of export facilities, the attempt failed, and the plant that had been opened was finally closed down in 1930, notwithstanding the fact that a protective tariff had been imposed on almost all glass imported into the country. After the failure of this concern, no glass was again made in Ireland until 1932, when a new company was organized, the Irish Glass Bottle Co., Ltd., Dublin. This latest factory—the only one of its kind in Ireland—which employs about 360 persons, is still in operation and, due to capable and efficient management, has made marked progress.

PRODUCTION

The machinery used in this factory was obtained from the Continent. The plant is so well equipped that in normal times it can produce practically any type of bottle. The war has hindered its progress, however, because of the difficulty of obtaining supplies of moulds in sufficient quantities. Certain moulds are, of course, made in the company's own workshops, but heretofore these came principally from the European mainland. The problems of catering for the needs of this small country are manifold, since total consumption of bottles is only about 250,000 gross per annum and the number of varieties made is approximately 600, many of which bear a trade mark and some the names of purchasers. The output of this plant is supplemented by importations of certain glass products from the United Kingdom.

In 1937 this factory extended its activities to the production of sheet glass for windows. Prior to the outbreak of war little if any of the sheet glass fabricated by this firm was utilized by the local furniture trade. Quantities of both sheet glass and bottles were, however, exported to the United Kingdom and Northern Ireland. Shortly after the outbreak of hostilities, the production of sheet glass was discontinued, largely on account of the impossibility of obtaining raw materials from the Continent and the difficulty of procuring fuel, principally oil, for the machines. The white flint sand used in the manufacture

of clear bottles is mostly obtained from Muckish Mountain, County Donegal. Considerable quantities were also imported from Belgium and Holland prior to their occupation by the enemy, as the imported product is considered to be more uniform in quality. The sand used in making the greenish bottles is found in the northern part of County Dublin, but the other ingredients are obtained from Great Britain.

GLASS FOR THE FURNITURE TRADE

At present all the glass used for mirrors by local furniture manufacturers comes from the United Kingdom. These mirrors are for the most part bevelled and silvered in this country. From 1936 to 1939 continental-made mirrors were imported in large numbers because, up to March, 1939, the Irish import duty was £6 per cwt., irrespective of country of origin, and continental manufacturers were, therefore, able to offer at very competitive prices. In 1939, however, the import duty was altered to 67s. 6d. per cwt., full rate, with a preferential rate of 45s. per cwt. applicable to Canada and the United Kingdom only. With the advantage resulting from the preferential rate, Great Britain once again became the chief supplier.

IMPORTS

Following are statistics covering imports into Eire of various glass and glassware for the years 1936 to 1938; owing to wartime regulations, 1938 is the latest year for which figures are available.

Imports into Eire of Glass and Glassware

	1936 Sq. Ft.	1937 Sq. Ft.	1938 Sq. Ft.	1936 £	1937 £	1938 £
Plate glass including rolled or polished—						
Great Britain	456,243	518,552	687,699	25,280	25,683	29,608
Northern Ireland	2,757	313	227	110	81	15
Belgium . . . . .	.....	12,468	2,657	....	430	177
Other countries	415,876	162,392	247,675	9,225	5,207	6,974
Total	874,876	693,725	938,258	34,615	31,401	36,774
Sheet glass—						
Great Britain	1,204,980	469,124	1,061,189	23,246	11,301	16,856
Northern Ireland	2,774	1,039	530	54	32	15
Belgium	3,456,393	88,969	451,279	31,135	1,728	4,528
Other countries	593,245	108,689	90,692	6,398	1,803	1,832
Total	5,257,392	667,821	1,603,690	60,833	14,864	23,231
Mirror glass—	Cwt.	Cwt.	Cwt.			
Great Britain	872	1,240	1,080	4,780	7,377	5,326
Northern Ireland . . . . .	.....	.....	.....	5	11	10
Belgium	2,451	4,730	3,430	5,987	11,165	6,995
Other countries	82	253	147	495	1,024	708
Total	3,405	6,223	4,657	11,267	19,577	13,039
Bottles for beer—	Gross	Gross	Gross			
Great Britain	444	21	2	340	16	2
Northern Ireland	17	.....	.....	11	....	....
Other countries . . . . .	.....	.....	57	....	....	47
Total	461	21	59	351	16	49
Bottles, other than for beer (dark green and amber)—						
Great Britain	6,446	7,663	6,829	2,499	2,595	2,364
Other countries	268	832	666	109	220	151
Total	6,714	8,495	7,495	2,608	2,815	2,515
Bottles, other than for beer (white flint)—						
Great Britain	9,762	7,858	8,306	12,329	4,088	4,585
Other countries	1,568	2,638	1,389	590	973	758
Total	11,330	10,496	9,695	12,919	5,061	5,343
Bottles, other sorts—						
Great Britain	15,977	16,919	11,268	9,107	7,979	5,300
Germany	3,257	3,384	4,542	1,144	1,213	1,442
Other countries	822	720	2,412	753	811	1,171
Total	20,056	21,023	18,222	11,004	10,003	7,913

DOMESTIC EXPORTS

Exports of glass and glassware from Eire for the years 1936 to 1938 were as follows:—

Exports from Eire of Glass and Glassware

	1936	1937	1938	1936	1937	1938
Glass bottles and jars—	Gross	Gross	Gross	£	£	£
Great Britain	11,199	14,255	11,758	7,416	9,030	8,952
Northern Ireland	1,881	3,218	7,177	1,290	1,827	4,760
Total	13,080	17,473	18,935	8,706	10,857	13,712
Glass and glassware not elsewhere specified—	Cwt.	Cwt.	Cwt.			
Great Britain	97	4,316	4,832	42	1,785	1,759
Northern Ireland . . . . .	.....	2,472	2,759	....	1,364	1,340
Total	97	6,788	7,591	42	3,149	3,099
Stained glass—						
Great Britain . . . . .	.....	.....	.....	65	996	270
Northern Ireland . . . . .	.....	.....	.....	1,887	1,296	1,678
United States . . . . .	.....	.....	.....	340	473	50
Other countries . . . . .	.....	.....	.....	100	280	....
Total . . . . .	.....	.....	.....	2,392	3,045	1,998

COMMERCIAL NOTES FROM INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, December 8, 1942.—Statistics of India's foreign trade during the six months ending September 30 show a decline in import values from Rs.1,008,171,536 in 1941 to Rs.568,614,398 in 1942. Exports were maintained at satisfactory levels, the value for April-September, 1941, of Rs.1,059,497,364 having fallen off only slightly to Rs.917,406,268. Trade with Empire countries has in general been better maintained than with foreign markets.

Among principal sources of supply, the value of imports from the following showed declines: United States, Burma, Straits Settlements, Ceylon, Bahrein, Kenya, Australia and Egypt. The only increases of note were for the United Kingdom, Iran, and Canada. Improved export values were recorded for Palestine, Aden, Ceylon, Nigeria, South Africa, Tanganyika, Kenya, Australia, Arabia, Iraq, Iran and Egypt, but there were declines in exports to the United Kingdom, the United States and Canada.

India's imports from Canada have expanded still further, the value of this trade in April-September, 1941, of Rs.27,424,656 having increased to Rs.34,866,687 for the same months of 1942. For the same periods Indian exports to Canada declined from Rs.26,643,541 to Rs.22,418,260. The unprecedented situation has now developed wherein imports of Canadian goods into India are 50 per cent greater in value than this country's exports to the Canadian market.

Production of Principal Industries

This year's estimate of the cotton crop is 5,980,000 bales of 400 pounds as compared with 5,903,000 bales for 1941. Mill production of cloth in May was estimated at 352.8 million yards as compared with 347.4 million yards in the corresponding month of last year. Imports have declined to negligible figures, while exports of 104.7 million yards in May were more than twice as large as in the same month of last year. Yarn production and exports have also shown substantial improvement over those in 1941.

The jute crop has been estimated at 9,014,000 bales of 400 pounds, a large increase over the 1941 figure of 5,474,000 bales. Exports during the early months

of 1942 have been much less than in 1941, amounting to only 32,300 tons in April-May as compared with 51,200 tons in the same months of 1941.

Tea production in Northern India is well ahead of 1941 figures, the 1942-43 crop being estimated at 417,800,000 pounds as against 390,700,000 pounds in 1941-42. Exports are being well maintained.

No accurate data are available for the current output of the coal and iron and steel industries. There are indications, however, that while coal output has increased, the recent output of pig iron and steel ingots has shown an appreciable decline from the high figures recorded during the middle of the year.

Industrial Expansion

The substantial development which has been taking place in industrial production throughout India since the outbreak of the war is becoming increasingly apparent. The two main incentives to this trend have been the encouragement given to local industry by the Government in the form of war contracts and technical advice regarding the development of new processes and expanded output and the severe limitation of imports of many commodities from abroad. Indian-made goods have already supplanted many items of foreign produce in the principal markets throughout the country. Several outstanding instances are a variety of toilet articles, canned fruits, toys, instruments, a variety of rubber manufactures, wearing apparel, chemicals and medicines, and various other consumer goods. In the same way there has been a marked increase in the variety of railway equipment made in Indian mills, a large improvement in paper production, considerable expansion in the manufacture of many wood products, and numerous important improvements in the technique and volume of textile manufacturing.

These advances in industrial output are of interest as indicating the capacity of Indian industry to cater to local demand, not only for war materials but also for many goods which have ordinarily been imported from other countries. They must also be given serious consideration by exporters in countries that have carried on business with the Indian market, since it appears certain that the longer the present situation persists the greater will be the future dependence of local markets on domestic sources of supply.

Prices

In recent months there has been a progressive increase in wholesale prices throughout India. The index number for the general level of commodity prices in June, 1942, is 155.2 as compared with 126.4 in June, 1941, and 114.1 in June, 1940. The most marked increases have been in prices of rice, wheat, copra, lac, cotton manufactures, and corrugated iron sheets. By commodity groups the most serious recent increase has been in foodstuffs (152.3), although the figure for manufactured articles of 166.5 is higher than for any other group.

Live-stock Census

The Indian Government has recently released a report on the live-stock census taken in 1940. Returns for British India comprise the following figures: 87,674,765 cattle, 22,415,493 buffaloes, 1,009,965 horses, 61,128,354 poultry, and 1,955,396 pigs. Corresponding figures for Indian states were 47,082,608 cattle, 13,345,022 buffaloes, 710,473 horses, 24,694,155 poultry, and 821,892 pigs.

Establishment of Food Department

The Government of India has recently established a Department of Food, charged with supervision of the production and distribution of essential foodstuffs throughout the country. The situation underlying this move has for some

time been one where agricultural production and the manufacture of various foods has been carried on without adequate direction and where a firm centralized control has appeared as the only means of supplying an adequate volume of basic foods to the services and of preventing severe hardship in various parts of the country. The new department, presided over by the Commerce Member, will work in close co-operation with the Department of War Transport and, with the assistance of the provincial governments, is expected to be capable of correcting a situation which has required drastic adjustment for some time past.

Increased Rubber Production

The Indian Government has recently established a Rubber Production Board, empowered to take all possible means to stimulate rubber output throughout Southern India. The board's membership comprises representatives of the central and local governments, producers, and the rubber-manufacturing industry. Various instructions relating to planting, cultivation, processing, and sale have already been issued to rubber estates, while it is reported that by the end of the 1943 planting season the area devoted to rubber production will have increased by 50,000 acres to a total of 200,000 acres.

Paper Control

It is reported that a recent order of the Central Government prohibits paper mills from selling more than 10 per cent of their production to the trade or the public. The remainder must be sold to or reserved for sale to the central, provincial, or state governments. The increasing demand for paper for use in various government departments and by the services is understood to be the principal reason for the issue of this new regulation.

Reorganization of Country Craft Traffic

The congestion of traffic on many of India's main railway lines has focussed attention on the lack of organization in country craft traffic along India's west coast and on the possibility of utilizing the large number of dhows and auxiliary craft to better advantage than in the past. Steps have recently been taken to encourage increased production of coasting vessels, to improve anchorage accommodation, simplify customs procedure, regulate freight rates, and in general induce a greater degree of regularity and uniformity in the trade than has characterized it in the past. The move is expected to effect a considerable improvement in shipping facilities between ports along India's western coast line.

TRADE OF NYASALAND IN 1941

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, November 7, 1942.—Weather conditions in Nyasaland during the early part of 1941 were favourable for tobacco, which comprised 52 per cent of the exports of the country. A record crop was produced and, due to improvement in grading and curing and to favourable economic factors created by the international situation, higher prices were obtained for European and native-grown leaf.

Tobacco exports in 1941 totalled 17,780,556 pounds valued at £666,772, an increase of nearly 33 per cent in weight and 38 per cent in value over the totals for 1940. Details of exports are as follows: tobacco leaf, dark fired, 7,441,496 pounds (£279,056); flue cured, 3,103,639 pounds (£116,387); air cured, 486,534 pounds (£18,245); tobacco strips, dark fired, 5,264,376 pounds (£197,414); flue cured, 260,495 pounds (£9,769); air cured, 1,224,016 pounds (£45,901).

Exports of tea in 1941 totalled 12,282,614 pounds valued at £562,953 and made up about 43 per cent of the total exports of the Protectorate. While

slightly lower in volume, the exports of tea showed an increase of over 16 per cent in value in comparison with 1940.

TRADE CONDITIONS

As total exports of domestic produce increased nearly 25 per cent in value as compared with 1940, it will be appreciated that trade reacted favourably and remained active throughout 1941. Import and export control did not materially affect trade, but towards the end of the year it became increasingly difficult to obtain essential imports from overseas. Essential requirements comprise transport and agricultural equipment, packing materials, fertilizers, and cotton piece-goods.

IMPORTS BY MAIN GROUPS

The following table shows the value of imports by main groups in 1941 with comparative data for 1940:—

Imports into Nyasaland by Main Groups

	1941	1940
Food, drinks and tobacco	£ 65,317	£ 59,147
Raw materials	15,311	15,335
Manufactured goods	850,296	685,357
Miscellaneous	37,373	33,127
Total	£968,297	£792,966

The net increase in the value of imports in 1941 as compared with that for 1940 amounted to £175,331. This increase of over 22 per cent is attributable to higher primary costs and to an effort on the part of merchants to increase stocks in anticipation of greater difficulty in obtaining supplies.

PRINCIPAL IMPORTS

The more important types of goods imported into Nyasaland in 1941 were: grain and flour, £6,636; beverages, £4,586; spirits, £10,529; canned foods, £16,192; sugar, £15,700; chinaware, glass and glassware, £8,706; iron, steel and metal manufactures, £29,166; agricultural machinery and implements, £21,310; machinery, £33,780; timber, £2,612; manufactures of wood, £60,361; cotton goods, £364,906; goods of wool, silk, linen, etc., £12,989; clothing, £20,372; textiles, n.o.p., £14,603; gasoline, oil and grease, £63,754; soap, £4,819; leather goods, especially footwear, £6,129; paper, £17,294; vehicles, £114,035; railway rolling stock and material, £4,440.

IMPORTS BY COUNTRIES OF ORIGIN

Of the total imports the United Kingdom supplied about 36 per cent as compared with 45 per cent in 1940. Imports from other Empire countries accounted for 46 per cent of the total as compared with 25 per cent in 1940, while the proportion from foreign countries decreased from 30 per cent in 1940 to 18 per cent in 1941. The greatest increase in imports from Empire countries was in supplies from India, which accounted for 28 per cent of the total as against 15 per cent in 1940. There were also increases in imports from the Union of South Africa and from Southern Rhodesia.

IMPORTS FROM CANADA

Imports from Canada in 1941 made up 2·8 per cent of total imports into the Protectorate as compared with 1 per cent in 1940. The value of goods imported from the Dominion in 1941 was £26,952, some of the items being: flour, £247; canned meat, fish, fruit and jam, £49; other foodstuffs, £197. timber, £1,099; nails, screws, etc., £444; iron and steel, n.o.p., £266; electrical and industrial goods, £356; box-shooks, £16,590; clothing, £348; paper, £1,232; automobiles and parts, £4,399; other vehicles (not bicycles), £1,411; tires and tubes, £24; lamps and lanterns, £125.

WHEAT PRODUCTION IN EAST AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, October 16, 1942.—Government sponsored schemes have recently been launched in Kenya and Tanganyika with a view to securing an increase in the production of wheat. In the past this product has not been grown in the latter territory, but in Kenya the normal out-turn has been adequate for local consumption, production being undertaken almost exclusively by European settlers around the 7,000-foot level. Besides meeting domestic requirements, there has been a small surplus for export in the form of flour, and in 1938, the last pre-war year, Kenya shipped 58,151 cwts. (of 112 pounds) of wheat flour, principally to Tanganyika.

In comparison with Canadian production, wheat-growing in Kenya is on a very small scale. According to the agricultural census of February, 1938, acreage and production were as follows:—

Wheat Acreage and Production in Kenya

	Acreage	Production
European areas	57,174	185,751 bags of 200 lbs.
Non-European areas	914	3,650 bags of 180 lbs.

During the past year or two the influx into East Africa, and into Kenya particularly, of a large wartime addition to the population has created an increased demand for wheat, and early in the present year the position was aggravated by the partial failure of the 1941-42 crop. In order to avoid resorting to imports, the alternative of mixing maize meal with wheat flour was adopted, and since February, 1942, locally milled "national" flour has contained, by law, 30 per cent by weight of granulated maize meal.

The increased demand for wheat in Kenya was not purely to meet local needs. The fact that the Colony was a producer was noted in neighbouring countries, and by reason of its proximity, East Africa became a desirable source of supply to the Middle East. Consideration had of necessity to be given methods of increasing production, as many Kenya farmers had joined the armed forces and, as those remaining had undertaken increased responsibility in the wartime drive for the production of foodstuffs and raw materials generally, it was realized that the farmers individually were unable to do more and that the Government must accept responsibility for any measures designed to increase production on a considerable scale.

In a communiqué issued by the Agricultural Production and Settlement Board in Kenya, following a meeting held late in 1942, the following statement appeared:—

MASAI WHEAT LANDS

In order to assist in the Colony's production of wheat so necessary to the War Effort, the Agricultural Production and Settlement Board is ploughing up land in the Masai Reserve at a point some 3 miles from Athi River Station.

This land, situated in a 20-inch rainfall area, some 5,100 feet above sea-level, has been handed over to the Board, for as long as may be considered necessary, as part of the tribe's contribution to the War Effort. After the last crop has been taken off, the land will be put under grass leys, with the result that the Masai will benefit by a large area of improved grazing when the land reverts to them.

The target for the present year, of land to be broken and prepared for planting in 1943, amounts to 1,000 acres, though, should new machinery arrive in time, this area may be considerably increased.

At present two tractors working 16 hours a day are employed: a R.D.7, pulling a 7-furrow mouldboard plough equipped with especially large bar breaker bottoms, and a R.D.4 pulling a 4-furrow disc. Normally these tractors could pull heavier loads but, owing to the type of land, a very stiff black soil with a limestone sub-soil covered with a dense mat of grass, they are working to capacity.

Next year, when new machinery has arrived, it is expected to increase the acreage under wheat to 5,000, with a further increase of 10,000 acres in 1944. To enable it to reach this target, the unit, as well as requiring a much larger labour force, will need its own repair shop, preparations for which are being made now.

There are large herds of game in the area which will have to be kept off the crops. Regular shooting will assist in this, but, in order to make the wheat as safe as possible, a trench will be dug around each area with a trip wire stretched in front of the trench and a bank, topped by a wire fence, behind. Fire is another potential menace; this will be combatted by the ploughing and burning of firebreaks round the ploughed lands.

But the Masai Wheat Lands is not the only scheme that the Board has in view for increasing production. It is intended that similar units should operate in other parts of the Colony.

This announcement was followed about a month later by a Tanganyika official communiqué issued for publication on September 4 and reading:—

Early in the present year the Government examined the possibility of producing wheat on a comparatively large scale in Tanganyika in order to meet the increased demands in the Middle East and elsewhere. As a result it was decided that, if the considerable quantities of specialized machinery that would be required could be obtained, the Government should embark on a scheme for the production of wheat over a total of some 40,000 acres of selected lands in various parts of the Northern Province, principally in Masailand. These proposals, which were supported by the Standing Finance Committee of the Legislative Council, received the approval of His Majesty's Government, and orders were placed in the United States for the necessary machinery.

Information has now been received that the delivery of this machinery under the lease-lend arrangement has been approved by the authorities in the United States and that delivery at the earliest possible date will be made.

WHEAT PRODUCTION BOARD

It is proposed that the general direction of this scheme shall be delegated by the Government to a Board, to be known as the Wheat Production Board, and that the executive control shall be in the hands of a General Manager appointed for the purpose. As is announced in the *Gazette* Notice to-day, the constitution of the Board will be as follows: Provincial Commissioner, Northern Province, Chairman; Director of Agriculture or his representative, Captain J. A. L. Hewer, M.C.; Mr. F. A. F. Schmid.

The General Manager will be Mr. Schmid, who is also ex-officio a member of the Board.

Preliminary arrangements, including the selection and appointment of the necessary staff, are being made by the General Manager, and it is hoped that these arrangements, and delivery of machinery, will be completed in time for planting of the forthcoming season.

It will be appreciated that both of the foregoing schemes are of an experimental nature. A start is being made with land in the Masai Reserve, which up to date has provided pasture for cattle—the Masai are a pastoral tribe of aborigines and not agriculturists—and grazing for game. The Reserve in question is partly in Kenya and partly in Tanganyika and some 3,000 feet nearer to sea-level than the highland level of Kenya on which wheat has been successfully grown in the past.

The practicability of growing wheat in this area on a successful basis is considered doubtful in unofficial circles. It can be assumed, however, that the two governments concerned have no doubt satisfied themselves that the idea is sound, although a high yield per acre may possibly not be expected.

In connection with the scheme, it is reported that large consignments of agricultural implements and requisites are being shipped to East Africa from the United States under the Lease-Lend Agreement.

During 1941 Kenya Colony imported 4,393 ploughs, harrows, cultivators and drillers, including 3,585 from the United Kingdom and 3,700 from Canada, and 70 binders, reapers and mowers, 27 of which were credited to Canada and 32 to the United States. The United Kingdom and the United States are the principal sources of Tanganyika's imports of agricultural machinery.

TARIFF CHANGES AND TRADE REGULATIONS

United States-Mexico

RECIPROCAL TARIFF REDUCTIONS IN TRADE AGREEMENT

A trade agreement between the United States and Mexico was signed at Washington on December 23, 1942. Each country grants the other reductions in duty on various scheduled goods and for some others gives assurance that duties will not be increased or, if exempt from duty, that the exemption will be continued. Under the most-favoured-nation clause of the Canada-United States trade agreement of November 17, 1938, the tariff reductions in the United States are applicable to Canadian goods.

The trade agreement affects United States duties on beef cattle. Under the Tariff Act of 1930 the rate was $2\frac{1}{2}$ cents a pound on cattle weighing less than 700 pounds and 3 cents a pound on those weighing 700 pounds or more. The trade agreement of November 17, 1938, with Canada reduced the duty on calves weighing less than 200 pounds each and on cattle weighing 700 pounds or more to $1\frac{1}{2}$ cent a pound. Imports of calves at the reduced rate were limited to an annual quota of 100,000 head, and imports of heavy cattle (except dairy cows) at the reduced rate to a quota of 225,000 head. Imports in excess of these quotas entered at the 1930 rates of duty. The Canadian agreement provided for allocation of the quota of 225,000 head of heavy beef cattle among Canada and other countries on the basis of past trade. To Canada was allocated 86.2 per cent of the reduced-duty quota (193,950 head), and to other countries, of which Mexico was the only one affected, the remaining 13.8 per cent (31,050 head). Light feeder-stock cattle weighing 200 pounds or more, but less than 700 pounds each, remained dutiable at $2\frac{1}{2}$ cents a pound.

In the agreement with Mexico, the United States duty on cattle of all weights (except dairy cows) is reduced to $1\frac{1}{2}$ cent a pound without quota restrictions until the unlimited national emergency proclaimed May 27, 1941, has been terminated and the President has proclaimed the end of the abnormal trade situation with respect to cattle and meats. Thereafter imports of calves and of heavy cattle at the reduced rate will again be restricted to annual quotas of 100,000 head and 225,000 head respectively, and imports of light feeder-stock at the reduced rate will be restricted to an annual quota of 400,000 head. Imports of calves and of light feeder-stock in excess of the quota will be dutiable as before at $2\frac{1}{2}$ cents a pound. The duty on imports of heavy beef cattle in excess of the quota will be reduced from 3 cents to $2\frac{1}{2}$ cents a pound.

United States duties are reduced on sheep and lambs from \$3 to \$1.50 per head; preserved berries, from 35 to $17\frac{1}{2}$ per cent ad valorem; watermelons, from 35 to 20 per cent ad valorem; green beans, from $3\frac{1}{2}$ to 2 cents per pound; dried chickpeas, from $1\frac{3}{4}$ to 1 cent per pound; fresh tomatoes, from 3 to $1\frac{1}{2}$ cent per pound; squash, from 2 to $1\frac{1}{2}$ cent per pound; ale and beer, from 50 to 25 cents per gallon; some men's leather footwear, from 20 to 10 per cent ad valorem; molybdenum ore or concentrates, from 35 to $17\frac{1}{2}$ cents per pound on the metallic molybdenum content; lead in pigs, bars, etc., from $2\frac{1}{8}$ to $1\frac{1}{16}$ cent per pound on the lead content; zinc ores, from $1\frac{1}{5}$ to $\frac{3}{4}$ cent per pound on the zinc content; zinc in blocks, pigs, etc., from $1\frac{2}{5}$ to $\frac{7}{8}$ cent per pound; box shooks, from 15 to $7\frac{1}{2}$ per cent ad valorem.

Other articles on which the United States duties are reduced include zinc oxide and sulphate, cement floor tiles, fluorspar, earthenware, dried blood albumen, hand-woven blankets, motion picture films, and (with a proviso that the concession may be withdrawn on termination of the unlimited national emergency proclaimed May 27, 1941) on earthen floor and wall tiles, glass bottles, articles of silver, baskets, bent-wood furniture, jewellery other than gold or platinum.

Duty reductions accorded by Mexico to the United States, expressed in percentages from the existing rate, include:

Powdered milk, 25; lard, 21·7; onions, 33·3; wheat, 40; oats, hulled (including oatmeal), 33·3; prepared cereals and flour, 18·8; barley in the grain, 20; unspecified canned vegetables, 20; apples, 14·3; plums, peaches, pears and grapes, 28·6; sliced dried fruits, 75; prunes, 50; bourbon and rye whisky, 45·5 to 52·6; potassium and sodium bicarbonates, unspecified, 42·8; linoleum, 50; threshers, 50; sewing-machines weighing up to 100 kilos, 50; refrigerators, 20 or 22·2; radio receiving apparatus with cabinet, 16·7; phonographs and radio (phonograph combinations), 16·7; separate parts for radios and phonographs, 50; radio tubes, 40; calculating machines, 50; machines for registering sales, 33·3; apparatus for reproducing writing, 50; electric fans and ventilators weighing up to 20 kilos, 37·5; stoves and heaters, not electric, weighing 40 to 150 kilos, 33·3; spark plugs, 50; tractors, 33·3; unspecified machines, 50; tires weighing up to 10 kilos, 20; tires, when diameter of inner circumference exceeds 60 centimetres across the extremity of the opening, 40; unspecified separate parts and repair pieces for automobile bodies and chassis, 50.

Altogether, the agreement includes 203 items in the Mexican tariff, of which 76 are reduced duties and 127 are bound at the existing level. On the United States side there are 103 items, which include 57 tariff reductions and 46 bindings of existing rates. The agreement, among other things, provides also for exchange of unconditional most-favoured-nation treatment with respect to customs duties and internal taxes, non-discriminatory treatment as regards import and export quotas and prohibitions, and exchange control. Concessions granted by the United States to Cuba and by either country to adjacent countries, to facilitate frontier traffic, and advantages accorded to any third country as a result of a customs union are excepted from the application of the agreement.

The agreement is to go into force 30 days after it is proclaimed by the Presidents of the United States and of Mexico. It will remain in force for three years and, unless terminated earlier, it will continue in force thereafter, subject to termination on six months' notice or, under special circumstances, in accordance with its own provisions.

Trinidad

FLOUR SHIPMENTS VIA THE UNITED STATES

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes that the Trinidad Controller of Customs has requested that flour shippers in Canada take the precaution of seeing that bills of lading for flour shipped via the United States are all noted "Shipped in Bond", or that certificates of non-manipulation are sent forward with each shipment. The certificate of non-manipulation is a document issued by the United States Customs Service, the purpose being to show continuous Customs custody of the goods while in the United States and final exportation from the United States. The text of the document was published as part of a tariff item on British India in *Commercial Intelligence Journal* No. 1971 (November 8, 1941), page 561. Mr. Newman states that compliance with the advice of the Trinidad Controller of Customs will eliminate trouble and delay in releasing flour in Trinidad.

Australia

CHANGES IN THE IMPORT LICENSING REGULATIONS

Mr. L. M. Cosgrave, Canadian Trade Commissioner, Sydney, reports under date November 9, that the following commodities, when imported from non-sterling countries, are now subject to "administrative control": Typewriters, other than portable, under tariff item 169(A)(2); parts of typewriters, other than complete or substantially complete typewriters in an unassembled condition, under tariff item 169(A)(2); replacement parts for typewriters, bolts, nuts, screws, etc., under tariff item 182; replacement parts for typewriters, being manufactures of metal, under tariff items 208(A)(1) and (2); springs for typewriters, under tariff item 317; tool handles, unattached, under tariff item 302(B); complete spectacles and reading glasses including goggles, under tariff item 321(A),

(B) and (C); celluloid sheets, under tariff item 435, and celluloid in forms for further manufacture, unspecified.

Refined cod liver oil, not compounded, classifiable under tariff item 229(J), when of non-sterling origin, has now been placed on the prohibited list of imports.

In the case of goods under "administrative control" an application must be made for licence to import, and each application is dealt with on its merits by the Division of Import Procurement, Department of Customs.

Palestine

IMPORTS WITHOUT LICENCE SUBJECT TO FORFEITURE

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reported on December 3, that, under a regulation recently issued, the Palestine Customs officials no longer have authority to compromise by fines when goods enter the country without import licence, and that forfeiture is inevitable. Exporters are therefore advised to ascertain, before despatching goods, that their customers in Palestine have obtained the necessary import licence.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 11, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 11, 1943, and for the week ending Monday, January 4, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 4	Nominal Quotations in Montreal Week ending Jan. 11	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2613	.2610	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0572	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5853	.5853	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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NEW YORK SALE OF RUSSIAN FURS

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, January 13, 1943.—On January 11 the first offering of Soviet furs in this country in more than twelve years was made for the account of the Amtorg Trading Corporation, official agency for the Soviet Government, by the local firm of Messrs. Lampson, Fraser and Huth, Inc. Prior to this sale the Soviet Government had preferred to offer furs through the annual Leningrad and Moscow auctions or through private deals with London houses. However, wartime conditions have made such sales impossible, and the collection of Russian furs was brought to this market. This is the second major collection of foreign furs to be offered through the New York market, the first foreign sales being made over a year ago for the account of the Hudson's Bay Company, which for more than two centuries had sold furs through the London market.

The offering was one of the longest continuous sales in the history of the local market and drew a record number of buyers, who took the major portion of the collection of 331,500 Soviet furs offered.

PRICES

While no indication of the quantity sold of each type of fur is available, following is a list of the furs put up for auction and the top prices received:—

Squirrel.—Yakutsk, \$1.18; Obsky, 92 cents

Red Fox.—Kamchatka, \$24.50.

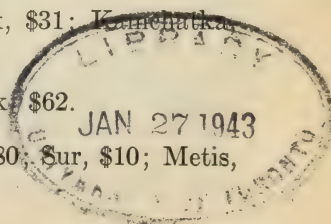
White Fox.—Enisseisk, \$34.50; Yakutsk, \$29; Obeorsk, \$31; Kamchatka, \$20; Novozembla, \$26.

Blue Fox.—Russian blue fox, \$55.

Sable.—Kamchatka, \$290; Urahaisky, \$170; Enisseisk, \$62.

Baum Marten.—Kubansky, \$42.50; Northern, \$40.

Persian Lamb.—Russian Persian lamb, \$18; Metis, \$4.80; Sur, \$10; Metis, brown, \$3.40; Metis, grey, \$15.



SHIPBUILDING ON THE WESTERN COAST OF THE UNITED STATES

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, January 8, 1943.—The production of ships and aircraft constitute two of the major industries the phenomenal expansion of which has largely contributed to the war effort and also attracted new sections of population to the western coast of the United States. These industries have not only brought increased activities and new wealth to the West Coast, but may possibly, in view of the post-war demand for transportation facilities by sea and air, constitute an element of industrial stability in the transitional adjustment period between wartime and peacetime economy.

Reviewing the year's achievement in shipbuilding, and according to a recent Dow Jones report, out of the 746 vessels of 8,090,800 deadweight tons completed for the Maritime Commission and the British Purchasing Commission under Maritime Commission supervision by United States shipyards last year, approximately one-half in number were built by twelve Pacific coast shipyards.

The coast total was 368 ships, and this number does not include any of the large amount of direct naval construction in some of these yards. All the vessels were of the sea-going type, for the most part Liberty cargo ships.

Oregon Shipbuilding Corporation at Portland led with delivery of 113 Liberty ships. California Shipbuilding Corporation at Wilmington delivered 109. Yards Nos. 1 and 2 at Richmond, California, delivered 55 and 63 ships respectively, a total of 118, which was the largest number from any one area. The six San Francisco Bay shipyards delivered 131 ships for the Commission, in addition to large amounts of naval construction.

Deliveries for Maritime Commission account, by coast yards other than these mentioned, were as follows: Marinship Corporation, Sausalito (new yard), 5; Kaiser, Inc., Vancouver, Washington (new yard), 6; Kaiser & Co., Swan Island, Portland (new tanker yard), 1; Moore Drydock, Oakland, 3; Seattle Tacoma Shipbuilding Corporation, 3; Consolidated Steel Corporation, Los Angeles, 5; Western Pipe & Steel Co., South San Francisco, 4; Pacific Bridge Co., Alameda, 1.

According to the Chairman of the Maritime Commission, the figure of 746 ships of 8,090,800 tons, does not include merchant vessels built for the armed forces and about 800 small craft. The year closed with a record production in December, when 121 ships of 1,999,300 tons were placed in service. The best previous month was September, for which the output was 93 ships of 1,061,112 tons.

At the close of 1942, merchant ships were being delivered at the rate of four a day, a schedule reached a month earlier than had been estimated. Current construction is at the rate of 14,400,000 tons a year, a peak output of five ships a day being expected in May. The objective for 1943 has been set at 16,000,000 tons.

HYDRO-ELECTRIC PLAN FOR SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, December 22, 1942.—The report of the Committee on Hydro-Electric Development in Scotland, published on December 16, has been accepted by the Government, and legislation to give effect to the proposals contained therein will be introduced early in 1943.

This Committee was appointed in October, 1941, to consider the practicability and desirability of further developments in the use of water-power resources in Scotland for the generation of electricity. It recommends the setting up of a non-profit-making public service corporation to promote and control all future hydro-electric developments in the Highlands and adjacent areas. One of its principal objects will be to obtain for the Highlands, through the

offer of cheap and abundant power, a share in the expanding electro-chemical and electro-metallurgical industries. The Government accept the Committee's view that this plan should play an important part in wider schemes to benefit the Highlands. The scheme is intended to be financially self-supporting as well as non-profit making, and it is hoped that work, employing thousands of men, will be started immediately following the end of the war.

Among the principal recommendations of the Committee is the establishment of a new public service corporation, to consist of five members and to be called the North Scotland Hydro-Electric Board, to initiate new schemes of supply as well as to develop existing undertakings.

The primary objective of the Board is the attraction of electro-chemical and electro-metallurgical industries. Priority is to be given to local needs, surplus power being exported to the national electric grid (the linked-up system of the whole country), and isolated areas are to be selected for experimental and demonstration schemes.

While the proposed corporation will transmit surplus power for use by the national grid, which is under the control of the national Central Electricity Board, and while it is intended that one member of the proposed corporation should also be a member of the Central Board, the two will be independent of each other, although working in the closest possible partnership. The corporation will be located in Scotland.

LOCATION OF THE SCHEME

According to the plans of the Committee, whose general conclusions, as already stated, are accepted by the Government, although some recommendations are still under consideration, the primary and distribution area will extend throughout Inverness-shire and Ross-shire and cover Lochaber, Argyllshire and Perthshire, where the undertaking can be linked up with the national grid near Glasgow. Another ring main will run eastwards to Aberdeen, eventually linking up with the main lines from Rannoch and Tummel. Some of the transmission lines, the Commission reports, might advantageously be constructed to operate at 264,000 volts—twice the voltage and thrice the carrying capacity of the existing grid system.

It is laid down in the report that no vested interest should be allowed to intervene to delay or add to the expense of the execution of any part of the Board's program. Lands and rights of way should be acquired, failing agreement, by simple requisition, compensation to be assessed by adaptation of the procedure under the Acquisition of Land Act, 1919, and the Compensation (Defence) Act.

The report has been very favourably received. It launches a scheme which, if successful, will enable cheap electricity from the Highlands to flow to the industrial belts of Central Scotland, it will arrest the long-criticized drift of industry to the South, and will attract to Scotland business men in search of factory sites convenient to cheap power.

During the past twenty years important hydro-electric undertakings have been developed in Scotland, among the most important of which are the Galloway and Grampian schemes. The Committee does not propose to interfere with the operation of these undertakings; its program will be complementary to these private enterprises. It is in the Highlands, and particularly in the Northern Highlands, that the most abundant untapped water-power resources of Great Britain are to be found.

While the bulk of the equipment required for this large undertaking will doubtless be supplied by manufacturers in Great Britain, Canadian firms, with their long and valued experience in equipping similar undertakings in Canada, may have the opportunity of sharing in the business.

PRODUCTION OF SOAP IN IRELAND

GEORGE SHERA, OFFICE OF THE CANADIAN TRADE COMMISSIONER

Dublin, November 25, 1942.—The manufacture of soap in Eire has been successfully carried on for centuries, chiefly for home consumption. At present there are about six commercial plants in operation.

As in the case of many other industries that are vital to the general prosperity of the country, the Government has assisted producers of soaps and other detergents to the extent that the industry is practically self-sufficient in respect of meeting the demand for domestic and industrial purposes. However, certain types, particularly special brands that are extensively advertised, are still imported. While the aggregate annual tonnage of these imports is fairly large, they do not reach a high figure individually, and, since they must compete with similar products of domestic manufacture, they do not seriously affect the market for the home-produced soaps so long as they are subject to an adequate import duty. In addition the purchasing public supports the policy of the Government to encourage the production and sale of domestic manufactures.

RAW MATERIALS

As domestic production of fats, oils and chemicals amounts to only about 20 per cent of the requirements of the industry in normal times, the bulk of these raw materials must be imported. Some locally produced tallow is used, but for the most part the required supplies come from the United States, New Zealand, South Africa, and Argentina. Palm oil is imported from Africa and the West Indies, while coconut oil was obtained chiefly from Ceylon and the Straits Settlements. Some palm-kernel oil produced by the Irish Oil and Cake Mills at Drogheda, Co. Louth, is also utilized. Resin is obtained chiefly from the United States. Supplies of caustic soda, soda ash and salt are mainly of United Kingdom origin. Colouring agents are of United Kingdom and German production, perfumes coming principally from France. The imported oils are generally contained in steel drums of various capacities, while tallow and resin are packed in wooden barrels or casks. The other materials mentioned are shipped in bags or small wooden casks. Since the outbreak of war the importation of most chemicals has ceased, those from the Continent entirely. Lack of shipping facilities has brought about a decline in supplies of raw materials, and manufacturers have been compelled to reduce their outputs, with the result that the supply position for the future will be governed by the ability of the producers to replenish stocks of raw materials by importation and from the small domestic supplies of basic products available.

RATIONING SYSTEM

With a view to keeping consumption within reasonable limits, the Government introduced in October, 1942, a coupon rationing scheme that should not only ensure equitable distribution of supplies but should prevent excessive buying and hoarding. In accordance with this scheme, no person in Eire may purchase more than six ounces of household soap, six ounces of toilet soap, or twelve ounces of soap powder per month. This plan has not been in operation for a sufficiently long period to permit of an estimate of its value, but it is hoped that it will enable manufacturers to effect a wider spread of domestic and imported raw materials. Purchases of soap by industrial concerns can be made only under licences granted by the Government, and the quantities thus obtained are considered sufficient to ensure that there will be no curtailment of production by industries that are dependent upon this product for manufacturing processes.

TYPES OF SOAP PRODUCED

Soap-makers throughout the country produce a sufficiently wide range of brands and specialties to meet all domestic and industrial needs. The quality of the various products is of high standard and compares favourable with that of soaps from other countries. Production may be divided into two classes: household soaps and industrial soaps. The former comprises hard soap, carbolic soap and toilet soap, all in tablet form; shaving soaps; flakes and soap powders in packets; and scouring powders in canisters. Industrial soaps are made up of hard soaps in bars and flakes and powders in bags. The processes of manufacture adopted and the qualities of the products made by various firms differ somewhat, since there is no standard formula in use.

MACHINERY AND WRAPPING

The machinery used in the industry in Eire is estimated to be seven-eighths of British manufacture, the remainder being of German or Swiss origin. Most of the packing and wrapping of soap is done by hand, since few factories have installed up-to-date wrapping and packing machines.

PRODUCTION AND CONSUMPTION

In a normal year the average consumption of soap in Eire is approximately 12,500 tons, which is equivalent to 9.4 pounds per head of population. As mentioned previously, wartime conditions have resulted in a considerable curtailment of output, due entirely to a shortage of raw materials, and, while further adjustments may have to be made from time to time, every effort will be made to provide supplies to meet both domestic and industrial requirements.

The following table shows the gross output and value of soap and soap products manufactured in Eire during the years 1938 and 1939:—

Eire Production of Soap and Soap Products

	1938 Cwt.	1939 Cwt.	1938 £	1939 £
Soft	2,069	1,879	3,000	2,887
Hard—				
Household and laundry (in bars and tablets)	130,011	161,676	194,385	219,766
For the manufacture of textiles	5,633	4,895	5,756	5,636
Toilet (excluding shaving)	10,108	10,821	31,712	31,552
Polishing and scouring	10,888	11,989	11,060	12,223
Shaving	389	359	4,236	3,996
Other	11,435	10,498	24,745	22,149
Soap powders	42,700	51,697	57,105	67,179
Total value			331,999	365,338

Quantities and values of materials used in the soap industry during the years 1938 and 1939 are shown in the following table:—

Consumption of Raw Materials

	1938 Cwt.	1939 Cwt.	1938 £	1939 £
Fats—				
Tallow	32,544	33,992	31,245	32,505
Other	14,506	20,797	15,857	19,379
Oils—				
Coconut	16,426	22,584	19,327	24,948
Other	66,851	68,130	68,718	60,123
Resin	12,561	13,291	11,161	11,490
Alkalis	20,221	22,501	10,675	12,086
Paraffin wax and scale	62,763	64,477	40,872	63,012
Beeswax	1,452	1,597	8,916	9,159
Chemicals . . . . .	.....	.....	15,773	16,390
Other materials . . . . .	.....	.....	9,602	9,033
Total cost			232,146	258,125

IMPORTS

The following table shows imports into Eire of soap and soap products for the three years 1936 to 1938; owing to wartime regulations, 1938 is the latest year for which figures are available:—

Imports of Soap and Soap Products into Eire

	1936	1937	1938	1936	1937	1938
	Cwt.	Cwt.	Cwt.	£	£	£
Hard soap (household and laundry) . . .	849	188	516	1,224	354	765
Soft soap	98	151	28	143	181	66
Toilet (including shaving)	1,276	965	978	6,837	4,990	4,659
Polishing and scouring	248	12	124	379	30	242
Soap substitutes and powders	225	120	130	3,071	3,055	2,482
Other sorts	1,224	482	418	3,416	1,410	1,230

Great Britain and Northern Ireland supplied practically all the imports.

EXPORTS

Exports of soap from Eire are small, being chiefly to Great Britain and Northern Ireland. The figures for the years 1936 to 1938 are as follows:—

Exports of Soap and Soap Products from Eire

	1936	1937	1938	1936	1937	1938
	Cwt.	Cwt.	Cwt.	£	£	£
Hard soap (household and laundry) . . .	180	70	398	193	95	434
Toilet soap (including shaving)	68	30	6	185	62	17
Soap not elsewhere specified, including substitutes and powders	173	86	131	155	79	112

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner in Melbourne, cabled under date January 14, 1943, regarding the Australian wheat and flour situation, as follows:—

The Chairman of the Australian Wheat Board reports 95,000,000 bushels have been carried over from the end of December. Sales for the twelve months were: local flour, 32,500,000 bushels; produce trade, 14,750,000 bushels. The balance of the large purchase of 1939-40 wheat by the British Government, delivered during 1942, is reported to have arrived at destination in good condition, despite long storage. Wheat production in Australia for 1942-43 should exceed 150,000,000 bushels, despite problems of labour and transport from farm to sidings. Deliveries to the Wheat Board are expected to reach 133,000,000 bushels. The basis of payment to growers is 70 cents a bushel at sidings for the first 3,000 bushels. There is no change in the official wheat quotations. It is reported that the 1943 export flour shipments will bear increased price, although no announcement has yet been made. It is expected that a committee appointed under the National Security Regulations to assume control of the flour industry, in order to allocate markets and ensure industry coping with any emergency, will announce within a short period plans for rationalization.

AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Meat Industry Commission Established

Sydney, November 26, 1942.—With a view to equitable distribution of Australian meats to the armed forces and the civilian population, the Australian Government has established a Meat Industry Commission under the chairmanship of the Commonwealth Controller of Meat.

The Commission will consist of the Assistant Minister for Commerce and representatives of the following associations: beef, mutton, lamb and pig producers; meat exporters and canners; country killing works. and Meat Industry Employees' Union.

The Commission will advise immediately on arrangements to secure supplies of mutton for canning and dehydration, and steps will be taken, in close co-operation with State Departments of Agriculture, to ensure proper distribution of meat throughout the Commonwealth.

Control of Shipping

The Australian Government, in order to centralize all government shipping boards, committees and organizations under one head, has decided to appoint a Shipping Ministry under the present Minister of Supply and Shipping. The new Ministry will operate from Sydney, the centre of Australian shipping activities, where close co-operation can be maintained with the representative of the British Ministry of Shipping and all overseas shipping interests.

The principal task confronting the new Ministry will be to review and reclassify all cargo priorities, while other duties will include the following: (1) To lease merchant ships and allocate ships to routes for which they are best suited; (2) To reorganize handling facilities to minimize loading and unloading time; and (3) To determine priorities in the use of the limited ship repair facilities in Australia.

The Ministry will also extend the present close co-operation existing with United States transport authorities and thus ensure that maximum and efficient use will be made of shipping operating to and from Australia.

The first step taken by the Government to place Australian transportation in a position to meet existing war needs was a Commonwealth decision to prohibit carriage by sea or rail of a wide range of unessential commodities. It is expected that the new regulations, when promulgated, will follow closely existing arrangements now in effect in the United Kingdom and Canada.

Limitation of Hours of Work

Following exhaustive investigations into the incidence of industrial fatigue in wartime industry throughout the Commonwealth, new regulations have been gazetted under the Australian National Security Regulations whereby a maximum week of 48 working hours has been prescribed for workers under 18 years of age, and, effective November 30, a maximum week of 56 hours for workers over 18 years. In each case the maximum hours are exclusive of unpaid meal breaks. In emergencies employees may be worked longer hours than those specified up to three weeks in any three months, or longer if official authority is granted by the Director-General of Munitions or the Director-General of Ordnance Production.

The Ministry of Labour further stated that the Government desired the 56-hour week limit to operate wherever possible from November 1, but it was realized that in some cases it would be necessary to alter complicated shift

rosters and the times of special transport services. The Government has further recommended that women's hours, where possible, be limited to 52, with adjustments in factories where the work of men was dependent on that of women. Elsewhere however, the Government expects that all war industries will establish a 52-hour limit for women's work.

It is expected that the new regulations will prevent to a marked degree the development of industrial fatigue.

Australian Basic Wage

The Australian basic wage will be increased from the first full-pay period in November to meet increased costs of living based on the weighted average cost-of-living figures for the six main states of the Commonwealth.

The new wage rates will be:—

	Wage Rate		Increase	
	£	s.	s.	s.
Sydney and Melbourne	4	17	2	and 3
Adelaide	4	13	2	
Brisbane	4	11	2	
Perth	4	12	2	
Hobart	4	9	2	

The new increase will affect more than 750,000 employees throughout the Commonwealth, and the advances reflect the increase in cost of living for the quarter ended September 30, 1942.

About 60,000 clothing-trade workers, whose wages are adjusted half-yearly instead of quarterly, will receive an accumulated basic wage increase of 4s. a week for men and 2s. for women.

Comparison of Control of Prices

The Commonwealth Prices Commissioner recently stated that an analysis of retail prices showed that these had increased by 15 per cent over pre-war levels in Australia and Canada as compared with a 30 per cent increase in Great Britain, while wholesale prices had increased by 25 per cent as compared with 33 per cent in Canada and 62 per cent in the United Kingdom. This compares with the price situation operating at the close of the last war when wholesale prices in Australia rose 70 per cent above their pre-war levels.

The Price Commissioner further stated that greater spending power and scarcity of resources and manpower were among the chief factors contributing to the present rates.

It was further realized that certain costs were not easily controlled in Australia, as prices of imported goods had risen by as much as 40 per cent at sources of supply, while freight rates and insurance costs against war risk had greatly increased. The Commissioner also pointed out that the standard rate of sales tax was now 12½ per cent and for many goods was as high as 25 per cent as compared with 5 per cent at the outbreak of hostilities.

It is noteworthy that, according to a survey of the profits of 450 selected companies throughout the Commonwealth, the average dividend rate was 7½ per cent in 1941 as compared with 7·6 per cent in 1939, 7·8 per cent in 1938 and 8·6 per cent in 1937, providing definite evidence of Commonwealth control of excessive profits.

Employment in Australia

In July, 1939, 1,727,000 wage-earners were employed in Australia, other than those in rural industries and domestic service. In November, 1941, immediately before the rapid acceleration of war activity, the number had increased to 1,941,000, a record figure. By March, 1942, however, the figure had been reduced to 1,918,000.

Analysis of these figures shows that in July, 1939, there were 1,306,000 males employed as compared with 421,000 females. By March of this year, however, as a result of enlistments and call-ups for the armed services, the increase in the number of males was only 58,000 and in females 133,000. These figures relate to employment in civilian occupations only and are exclusive of all personnel in the defence forces.

Meanwhile, because of the expansion of munitions output, the number of government employees increased from 457,000 to 480,000 between November, 1941, and March, 1942, while the number of persons in private employment was reduced from 1,483,000 to 1,437,000. The decrease in the number of males was 55,000, while there was an increase in females of 9,000.

WORLD ECONOMIC SURVEY 1941-42

LEAGUE OF NATIONS PUBLICATION

This is the tenth World Economic Survey of the League of Nations, the second since the beginning of the war. It covers the momentous developments from the summer of 1941 to the early autumn of 1942, including the German invasion of Russia, the Japanese conquests in southeastern Asia and the transition to war economy in the United States.

The German invasion of Russia, the Survey shows, has had far-reaching effects on economic conditions in Germany and German-controlled Europe. The Survey describes, in particular, the drain on Germany's manpower, the pressure on her transport system, the recruitment of foreign workers, the exploitation of the occupied countries and the drastic reorganization of the war economy in Germany itself. The picture that emerges is one of ruthless concentration of the Continent's economic resources on the requirements of war and war production. The cost in terms of human welfare stands out equally clearly. Special attention is paid to the food situation in the different European countries, the measure in which rations fall short of minimum standards, the shortages of other essential commodities, such as fuel and clothing, and the effects of these conditions as reflected in statistics of births and deaths.

A review of Russia's economic problems brings out some of the main factors that have contributed to the strength of Soviet resistance, and describes the large-scale removal of industrial equipment and labour from the threatened areas, the scorched earth policy, and the measures adopted to increase industrial and agricultural output and to compensate for the loss of the invaded areas.

The volume also deals with the important changes that have recently taken place in China, in particular the industrial development of the interior and the progress made in building up a centralized system of taxation and economic control.

A brief account is given of Japan's strenuous efforts to increase war production at the cost of a further cut in standards of living. Japan's recent conquests, it is pointed out, have done little to alleviate her shortages of iron, steel and textiles. But they have had important economic consequences elsewhere; their effects are considered with reference not only to the raw material supplies available to the United Nations but also to the conditions in the occupied regions themselves.

The rapid growth of war production in the United States is one of the most striking developments described in this volume. The way in which it has been achieved and the problems to which it has given rise in the civilian economy are discussed at some length. It is shown that in the short space of twelve months (from the summer of 1941 to the summer of 1942) the armament output of the United States increased five-fold, while that of the United Kingdom was

doubled, so that the combined output of the two countries was approximately tripled. From about the middle of 1942, the United States surpassed the United Kingdom in the absolute volume of war production. But on a per capita basis Britain's war output was the highest of any nation. Comprehensive estimates are given of the curtailment in private consumption and the drafts on capital reserves that have been necessary to achieve this degree of economic mobilization.

The various ways in which Canada, Australia, New Zealand, India and South Africa are contributing to the common war effort are reviewed, and attention is drawn to the important changes in economic and financial structure (industrial expansion, repatriation of external debt, etc.) that are taking place in these countries under the stress of war conditions.

Shipping is one of the vital problems in the United Nations' war economy, as rail transport is in the war economy of Germany. A close analysis is made of this whole transport situation—the United Nations' shipping resources and the demands made upon them, the progress of shipbuilding compared with the rate of sinkings, German requisitioning of rolling-stock, the use made of European waterways and the effect of the coal and oil shortage on European transport.

The Latin-American republics have been seriously affected by the shipping shortage. The repercussions of the war on their economic life and the way in which their difficulties have been met—in particular, the assistance afforded by the United States—are considered in many parts of the volume.

The information given in the Survey is grouped by subjects as well as geographical areas. Thus the chapter on Finance and Banking shows the amount of war expenditure in different countries and the way in which that expenditure is being covered. There is a summary of recent changes in methods of taxation, followed by a study of government borrowing and the part played by the banking system in the financing of the war. Other sections deal with the universal expansion of currency and credit, the effects of rationing on monetary circulation, the course of interest rates and the behaviour of share prices.

The chapter on Price Movements and Price Control shows the forces of inflation at work throughout the world and describes the measures by which governments are endeavouring to stem the rise of prices. There is a discussion of significant changes in Germany's domestic price control system and of the manipulation of price relationships in her trade with other European countries. The price "ceilings" imposed in Canada and the United States are likewise dealt with, and an account is given of wage control measures in certain countries.

Special interest attaches to the chapter on Consumption and Rationing, surveying the various methods of rationing adopted, comparing the nutritive value of food rations with normal requirements and with peacetime consumption in the countries concerned, and describing the elaborate systems of differential rationing practised in Continental Europe to meet the needs of different classes of consumers. The state of virtual famine existing in some of the German-occupied areas is contrasted with the situation in the Reich.

The chapter on Production, besides assembling the available data on industrial activity and raw-material production throughout the world, presents estimates of food production in various countries and discusses the fluctuations in harvest yields, live stock, etc. The decline in agricultural output in Continental Europe stands out in contrast with the increase in British farm production and with the record crops reaped in the United States and Canada.

The chapter on International Trade deals with Germany's trading methods, recent changes in volume of trade in Continental Europe, the British balance of payments situation and the liquidation of British oversea investments. Special attention is paid to the lend-lease policy and the key position now occupied by the United States in international trade.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

CHEESE RATION REDUCED

The ordinary cheese ration in the United Kingdom, which was increased on July 26, 1942, from 4 ounces per week to 8 ounces, was reduced as from January 10, 1943, to 6 ounces. When the increase in July was made, it was announced that it would be for a few weeks. The increase to 16 ounces that was made on July 26 for special classes, has been reduced to 12 ounces. A weekly reduction to catering establishments is made in similar proportions.

Barbados

IMPORTS RESTRICTIONS ON RAYON PIECE-GOODS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, writes under date January 12, 1943, that a notice issued by the Barbados Control Board on September 7, 1942, stating that licences for imports of rayon piece-goods would be issued for shipments from the United Kingdom only has been modified, and licences will now be issued for importation of rayon piece-goods from Canada valued at not more than 60 cents per square yard f.o.b.

British Honduras

AMOUNT OF INSURANCE IN DUTIABLE VALUE

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, Jamaica, reports that the treatment of insurance costs in relation to establishing the dutiable value of goods imported into British Honduras has undergone two recent changes. The tariff law provides for levying duty on the basis of "cost, insurance, freight." By statutory rule and order of September 25, 1942, the amount of insurance to be included in the valuation of goods for this purpose was limited to the actual amount paid for insurance or 5 per cent of the initial cost of the goods in the country of export, whichever was the less. This order was revoked on November 14, 1942, and the 5 per cent limit was made applicable to the cost of the goods landed at the port of entry of the Colony, exclusive of the cost of insurance.

United States-Mexico

TRADE AGREEMENT IN FORCE JANUARY 30

In consequence of a proclamation issued by the President of the United States on December 28 and by the President of Mexico on December 31, the trade agreement between the two countries, summarized in last week's issue of the *Commercial Intelligence Journal*, will go into force on January 30, 1943, i.e., thirty days after the later proclamation.

Argentina

MODIFICATION OF EXCHANGE REGULATIONS

Mr. J. A. Strong, Commercial Attaché in Buenos Aires, writes that, under amendments to Argentine exchange control regulations issued on December 30, 1942, exchange for payments for imports of preserved fish (except herring), lobsters and fresh oysters, and of some alcoholic beverages, including whisky and gin, may now be obtained at the "second preferential" exchange rate of 4.22 Argentine pesos to the United States dollar instead of at the "auction" rate of 4.95 pesos to the United States dollar.

Ecuador

CERTIFICATES OF ORIGIN

Mr. W. G. Stark, Acting Trade Commissioner in Lima, writes under date December 31, 1942, that certificates of origin are necessary for all goods which, under the tariff of Ecuador, enter at preferential rates of duty. Preferential rates, which consist usually of a reduction of 30 per cent from the general tariff, are applicable to about one-fifth of the items of the tariff of Ecuador. They are accorded to imports from Canada under the commercial *modus vivendi* between Canada and Ecuador concluded on August 26, 1941. Among the products on which there is a preferential rate are the following:—

Preserved meat, preserved fish, certain preserved foodstuffs of vegetable origin, tomato sauces and paste, rolled or crushed oats, rolled or crushed barley, forage barley, malt, seeds for agricultural use, chickpeas, wines, emery paper or cloth, certain chinaware and glassware, toilet preparations, knives, sporting guns, safety razors, iron wire (except barbed), door hardware, pins, hairpins, knitting needles, hooks and fasteners, combination locks, kitchen utensils of iron, copper wire netting and some other copper articles, watches of non-precious metals, clocks, sewing-machines, electric accessories, electric utensils, bicycles, tires and tubes, motor cycles, albums, cardboard boxes, paper-board, wrapping paper (except Manila and tissue), wallpaper, writing paper in reams or sheets, filter paper, toilet paper, paper for mimeographs, blotting paper, building boards of paste or carton-pierre, oilcloth and linoleum, waterproof cotton clothing, cotton knitted goods, elastic, certain wool and silk tissues, silk hosiery and wearing apparel, furs, leather gloves, photographic apparatus, rubber boots, rubber water-bottles, cartridges, phonographs and records, portable organs, toys and games, umbrellas, combs, tobacco pipes, hats (except of cotton or wool fabric).

The certificate of origin must be issued by the Chamber of Commerce at the point of origin of the goods. There is no official text prescribed, but it must certify that the goods have been produced or manufactured in Canada and must be dated prior to the date of shipment of the goods. It may be drawn up in Spanish, English or French. One copy is necessary for Ecuadorean customs purposes. The certificate of origin must be legalized by the Ecuadorean Consul, if there is one at the point of shipment. If there is no consul at the point of shipment legalization is not necessary. There is a Consul of Ecuador in Montreal.

Palestine

IMPORT RESTRICTIONS

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, writes under date December 3, 1942, that the *Palestine Gazette* of July 26 contains a copy of a government notice imposing restrictions on the importation of goods into Palestine.

For the following commodities, which are being imported on government account or through one importer, no import licences will be issued to private importers:—

Food, drink and tobacco: wheat; wheat flour; maize; millet; barley; rice; other cereals, including rye and oats; malt; sugar; refined beet and cane sugar; hops; tea; cocoa and cocoa beans.

Fatty substances and wares, animal and vegetable: groundnuts; copra; cotton seed; other oilseeds; nuts and kernels; coconut oil; palm oil; olive oil.

Fertilizer: nitrates; superphosphates; ammonium sulphate; urea; ammonium sulpho-nitrate; ammonium sulpho-cyanide.

Rubber: crude rubber; rubber substitutes (gutta percha, etc.); tires and tubes for motor vehicles and tractors.

Timber and cork: railway sleepers.

Paper: newsprint.

Hides, skins and leather: hides, heavy and light.

Heating, lighting, power, lubricants: coal for railways; other coal; briquettes; other solid fuels; coke.

Non-metallic minerals and manufacturers thereof: sulphur.

Base metals and manufactures thereof: iron and steel (pig iron); bars and rods; sections and structural shapes; wire; plates and sheets; hoops and strips; tubes; pipes and fittings other than cast iron; bolts, nuts and screws; tinplates.

Non-ferrous metals: tin; copper; brass; aluminium; lead; zinc; nickel; other non-ferrous metals.

Machinery, apparatus, appliances and vehicles: generators; motors; convertors; transformers; electric accumulators, other than batteries for motor vehicles; insulated cables; wire for electricity; typewriters; cranes; locomotives; railway rolling-stock, spares and parts; agricultural machinery; tractors; motor vehicles; motor-cycles; tools for engineering and allied trades.

Chemicals for industrial purposes: caustic soda; sodium carbonate (soda ash); sodium nitrate; sodium bichromate; sodium sulphide; sodium bicarbonate; sodium hyposulphite; sodium sulphite; sodium bisulphite; sodium silicate; sodium perborate; sodium hydro-sulphide; sodium arsenite; sodium arsenate; sodium fluosilicate; sodium tri-phosphate (hydrogen phosphate); sodium sulphate; sodium cyanide; sodium fluoride; sodium nitrite; sodium stearate; potassium sulphate; potassium chlorate; potassium bichromate; potassium hydroxide; calcium carbide; calcium cyanamide; red lead; zinc oxide; lithopone; barytes; white lead; turpentine; casein; bleaching powder; sulphate of alumina; alum; ammonium chloride (salamac); ammonium carbonate; ammonium bicarbonate; borax; boric acid; magnesium carbonate; acetone; butyl alcohol; trichlorethylene; carbon tetrachloride; carbon disulphide; carb. tet. chl. carb. dis. mix.; formaldehyde; guano; chromium acetate; lactic acid; hydrocyanic acid; anhydrous ammonia; liquid chlorine; sulphur dioxide; freon; methyl chloride; naphthalene; wood naphtha; copper sulphate; copper carbonate; iron sulphate; barium fluosilicate; lead arsenate; arsenious oxide; paris green; pyrethrum; paradichlorobenzene; beta naphthol; proprietary insecticides; fungicides and fumigants; vulcanols; nonox; degreas; bate; dyestuff intermediates; indigo; aniline dyestuffs; leather dyestuffs; heat treatment products; synthetic dyestuffs.

Importation of the following commodities from oversea is prohibited except from Trans-Jordan, Egypt, Sudan, Arabia, Iraq, Iran, Turkey, Syria, Cyprus, Aden, Kenya, Uganda and other East African dependencies:—

Food, drink and tobacco: starch; cereal and farinaceous foodstuffs; bakery products (biscuits, cake); molasses; meat; fish; butter; cheese; potatoes; beans; lentils; other vegetables; fruit and nuts, except oil-nuts; olives; coffee; vinegar and salt; tinned and preserved meat; tinned and preserved fish; other tinned and preserved foodstuffs; ghee; semm; milk powder for animal feeding; hay; straw; fodder; oil-seed cake; meal for animal feeding; all other foodstuffs not mentioned; beer; other spirits; fruit juices and soft drinks.

Fatty substances and wares, animal and vegetable: linseed; linseed oil; cottonseed oil; other oils from seeds; other oils from nuts and kernels; edible fats (margarine, lard, tallow, etc.); acid oils and fatty acids.

Timber and cork: timber, softwood and hardwood; matches.

Hides, skins and leather: skins; leather and manufactures thereof; fur skins and furs.

Textiles: silk piece-goods; silk yarn and thread; raw jute; raw hemp; flax; ramie; ramie yarn and thread; ramie twine; flax household linen; sisal; linoleum; lincrusta; straw articles for hats; sisal ropes; shapes for tarbushes; boots and shoes; hosiery.

Heating, lighting, power, lubricants: crude petroleum; benzine; kerosene; gas oils; fuel oils; candles; pitch; tar; asphalt; other products of petroleum; other products of coal.

Non-metallic minerals and manufactures thereof: salt; cement; sand; building stone; lime; pottery; glass bottles; window glass.

Base metals and manufactures thereof: iron and steel; wire netting; nails. Non-ferrous metals: aluminium manufactures; zinc and manufactures; pyrites.

Machinery, apparatus, appliances and vehicles: electric batteries dry; electric accumulators for motor vehicles; washing-machines; other household machinery; small household appliances; other vehicles; perambulators.

Miscellaneous commodities: artificial teeth; musical instruments; ink, other.

Chemicals for industrial purposes: sodium chloride (salt); sodium chlorate; sodium bi-sulphate; sodium aluminate; soda crystals; potassium chloride; potassium carbonate; potassium permanganate; muriate of potash; calcium nitrate; animal charcoal; acetylene black; titanium oxide; whiting; gelatine and glue; calcium chloride; calcium oxide; calcium arsenate; ammonium phosphate; ethylene glycol; plaster of Paris; chromite; corundum; ilmenite; galena; fuller's earth; china clay (kaolin); talc; carbonate of lime; chromium sulphate; chrome salts; magnesium carbonate; sulphuric acid; hydrochloric acid; nitric acid; acetic acid; tartaric acid; citric acid; carbonic acid; caustic potash; paradinitrobenzene; aniline salt; para nitraniline; meta nitraniline; stearic acid; stannic chloride; zinc phosphide; hydrogen peroxide; cellulose paints.

Toilet preparations: tooth paste; soap; shaving soap; all other toilet preparations.

Importation of the following commodities is permitted within quota limits:—

Food, drink and tobacco: glucose; spices; tinned and preserved milk; milk foods, other than baby foods; saccharine whisky; gin; tobacco, manufactured (cigarettes and pipe tobacco); unmanufactured tobacco.

Rubber: tires and tubes, other.

Timber and cork: cork and manufactures thereof; manufactures of wood.

Paper: cardboard; wrapping paper; cigarette paper; paper bags; other paper.

Hides, skins and leather: leather belting for industrial uses.

Textiles: artificial silk yarn; artificial silk thread; cotton piece-goods; cotton yarn and thread; woollen piece-goods; wool yarn and thread; raw wool; flax yarn and thread; hemp yarn and thread; jute yarn and thread; flax twine; hemp twine; jute twine; jute sacks and bags; sacks and bags of other fibres; horsehair; fine hair fibre; vegetable fibres; coarse hair fibres; hair fabrics; felts and felt shapes; felts for paper factory; fishing nets; felt hats; fabrics impregnated with tar; cordage; ropes; cotton fabrics (unbleached, bleached and printed); shapes for felt hats; other made-up goods; tubing for fire hose.

Heating, lighting, power, lubricants: lubricating oils; greases; paraffin wax; mineral jellies and waxes.

Non-metallic minerals and manufactures thereof: clay; natural abrasives; asbestos; phosphorus; magnesite; graphite; other non-metallic minerals; refractory articles; other clay products; other glassware; crockery; electric bulbs.

Base metals and manufactures thereof: iron and steel; wire cables; castings; forgings; other manufactures of iron and steel. Non-ferrous metals: tin, manufactures thereof; copper, manufactures thereof; brass, manufactures thereof; lead, manufactures thereof; other non-ferrous metals, manufactures thereof.

Machinery, apparatus, appliances and vehicles: electrical machinery; other electrical apparatus and appliances; refrigerators, parts only; meters, all kinds, for electricity; other office machinery; other industrial machinery; boilers; pumps; engines; stationary and portable; textile machinery; machine spares and parts; motor-vehicle spares and parts; motor-cycles, spares and parts; bicycles; bicycles, spares and parts; invalid chairs; hollow-ware, tinned and enamelled.

Miscellaneous commodities: scientific instruments; photographic apparatus; cinematograph apparatus; gramophone records; stationery sundries; printer's ink; photographic films; photographic plates; photographic papers; books; music; other printed matter; radios and parts; telephone apparatus; telegraphic apparatus; sports requisites; explosives; grindery for boots and shoes; seeds, agricultural; seeds, potatoes.

Chemicals for industrial purposes: red ochre; yellow ochre; litharge; red oxide of iron; vermilion; Prussian blue; chromium oxide; raw sienna; burnt sienna; umber; Brunswick black; carbon black; colophony; resins and gums; shellac; polish and polishing materials; driers; copal; magnesium sulphate (E.S.); phosphorus; zincon; neatsfoot oil; moulding powder; nigrosine; vegetable tanning materials.

Toilet preparations: tooth brushes; lanoline.

Pharmaceuticals: drugs and pharmaceutical products, including any chemical product, speciality, patent or proprietary medicine, vitamins, vaccines, sera and other articles or substances for use in medicine, including veterinary medicines; medical and surgical, (including veterinary) instruments and appliances; surgical dressings and medical rubber goods; X-ray films and apparatuses; dental appliances and supplies; optical appliances and supplies; chemical and bacteriological laboratory apparatus, accessories and reagents; disinfectants and disinfecting materials (medical and veterinary); baby foods.

The following items are included in this category when imported by licensed dealers in medical supplies and specifically and essentially intended for pharmaceutical, medical, veterinary, optical, X-ray or laboratory purposes:—

Acetic acid; boric acid; carbolic acid; citric acid; formic acid; hydrochloric acid; lactic acid; nitric acid; oxalic acid; sulphuric acid; tannic acid; tartaric acid; activated carbon; alum; aluminium sulphate; ammonium bicarbonate; ammonium carbonate; ammonium chloride; arsenious oxide; barium sulphate; borax; butyl alcohol; carbontetrachloride; copper carbonate; copper sulphate of; magnesium carbonate; potassium chlorate; potassium hydroxide; sodium arsenate; sodium bicarbonate; sodium carbonate; sodium hydroxide; sodium nitrate; sodium nitrite; sodium perborate; sodium sulphate; sodium thiosulphate; sulphur; thymol; turpentine; zinc chloride; zinc oxide.

EXCHANGE CONTROL IN THE BELGIAN CONGO

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, December 2, 1942.—Exchange control in the Belgian Congo and Ruanda-Urundi was strengthened following the signing, on January 21, 1941, of the Anglo-Belgian financial agreement relating to business between the United Kingdom and the Belgian Congo.

The financial agreement provides that the official rate of exchange shall be fixed at 176·625 Congolese francs to the pound sterling, subject to current transfer charges. This feature of the agreement was implemented in the Belgian Congo and Ruanda-Urundi by Ordinance No. 107, effective March 10, 1941. Quotations for other currencies are based on this agreed rate in conjunction with official rates in London on the third currency concerned. It was laid down in the financial agreement that the United Kingdom Government would make available to importers in the Belgian Congo the means of payment for any necessary imports from countries outside the sterling area. The effect of these arrangements was to include the Belgian Congo and Ruanda-Urundi in the sterling area.

Arrangements were made subsequently by the Canadian Foreign Exchange Control Board for transfers of sterling between Canadian and Belgian accounts in settlement of merchandise trade, and it thus became permissible for payment for exports from Canada to the Belgian Congo and Ruanda-Urundi to be made in sterling.

CONTROL MEASURES

The initiation of stricter control meant the initiation of various related control measures. Prohibition of the export and import of gold currency and securities was established by Ordinance 104, effective March 10, 1941. Provision was made for the unimpeded transfer of funds by cheque or other payment order authorized and issued by the Banque du Congo Belge, the official Control bankers.

Similarly, Ordinance No. 106, also effective March 10, 1941, required all residents of the Belgian Congo and Ruanda-Urundi to declare their holdings of foreign exchange in whatever form, whether at home or abroad. Such declaration constituted an offer for sale; any exchange not purchased cannot be utilized without prior authorization. Every new receipt of foreign exchange in any form must be declared within two months, and foreign currency, the proceeds of exportation, must be offered to the Banque du Congo Belge within three months of date of exportation.

Ordinance No. 108, effective April 1, 1941, deals with import control and provides that the importation of foreign exchange in any form is subject to import licence. This ordinance was subsequently strengthened by No. 501 of November 19, 1941, which defines various forms of foreign exchange securities, and provides that travellers must declare each type they carry and have an official list of them, and sets penalties for infractions.

Ordinance No. 109, also dealing with import control and effective April 1, 1941, provides that foreign exchange authorized for purposes other than the importation of merchandise may be sent out of the country on production of the copy of the permit marked for Customs purposes, which indicates the purpose for which the payment is intended and constitutes the licence required by Ordinance No. 104.

With regard to gold mined in the Belgian Congo, Ordinance No. 110, effective April 1, 1941, provides that it must be exported to the Rand Refinery, Ltd., Germiston, South Africa, and, when processed, be deposited with the South African Reserve Bank, Pretoria, to the account of the Banque du Congo Belge on behalf of the Colony. The official buying price was set at 44,000 Congolese francs per kilogram, but by a subsequent ordinance, No. 222, published on May 10, 1941, this was increased to 46,200 Congolese francs per kilogram. Identical ordinances, Nos. 111 and 223, made the same arrangement for gold mined in Ruanda-Urundi.

Ordinance No. 329, effective July 17, 1941, provides that the Banque du Congo Belge will take over specified foreign exchange—United States dollars, Canadian dollars, escudos, angolaes and Swiss francs—from all residents, including nationals of allied and enemy countries as well as Belgians. A public notice issued at the same time pointed out that purchase would be made immediately and without further notice.

EXCHANGE CONDITIONS IN FOREIGN COUNTRIES

Mexico, Guatemala and Salvador

C. S. BISSETT, CANADIAN TRADE COMMISSIONER

Mexico City, January 5, 1943.—In none of the three countries listed above are there any official exchange restrictions in force at present that might affect the collection of bills drawn on importers therein by persons abroad. Foreign exchange is readily available to meet payments for shipments from Canada.

Honduras

Control of foreign exchange in Honduras is exercised by the Exchange Control Commission. No difficulties of any kind have been experienced in recent months in the procurement of foreign exchange, which has been readily made available by the Commission within one to three days from the date of application covering all transactions that are not subject to the freezing-control laws now in force.

The transactions for which exchange is not being made available are those by or in favour of enemy nationals, whether located in Honduras or in foreign countries, or by Honduran nationals whose names appear on any of the war trade lists.

Cuba, Haiti, Dominican Republic, Puerto Rico and United States Virgin Islands

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Havana, January 1, 1943.—There are no official exchange restrictions in force in any of the above-named countries that are likely to affect the collection of drafts drawn on importers therein by exporters abroad. Merchants in these territories can obtain without difficulty the foreign exchange to pay for their imports from Canada.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 18, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 18, 1943, and for the week ending Monday, January 11, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 11	Nominal Quotations in Montreal Week ending Jan. 18	Official Bank Rate
Great Britain.	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2610	.2614	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0571	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3330	.3330	—
Uruguay.	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5853	.5853	—
South Africa.	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand.	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1942. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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BRAZILIAN IMPORT CONTROL: PREFERENCE REQUESTS REPLACE CERTIFICATES OF NECESSITY

MAURICE BÉLANGER, ASSISTANT COMMERCIAL ATTACHÉ

Rio de Janeiro, December 31, 1942.—A new procedure has been adopted to determine Brazilian requirements of materials to be imported from or through the United States. The new system provides for the issuance by the Import and Export Section of the Bank of Brazil of "Preference Requests" and replaces the former procedure of issuing "Certificates of Necessity". The purpose of this new system is the same as formerly: to ensure that imported materials and available shipping space be utilized in such a way as to promote the greatest possible efficiency in the common war effort.

The new procedure applies to all imports from the United States, regardless of the origin of the goods, and will, therefore, apply to all Canadian goods shipped to Brazil from or through a port in the United States.

Following is a translation of the Bank of Brazil Export and Import Branch Notice No. 41 with respect to imports of materials and products from or through the United States:—

The Import and Export Carteira of the Bank of Brazil announces that, in view of the necessity, created by circumstances connected with the war effort, for limiting imports from or through the United States exclusively to materials and products indispensable to national defence, or the defence of the Hemisphere, or to the maintenance of public utilities or civil enterprise essential to the economy of Brazil, the following regulations have been established; their adoption will not only make possible the better utilization of available shipping space but will also facilitate the issuance of export licences in the United States:—

- (a) From now on, the Carteira will only facilitate the issuance of export permits in the United States for materials included in a "List of Imports Products" which will be published.

- (b) Any person interested in the importation of any of these materials must submit to the Carteira, on a special form of "Preference Request", a declaration of the orders estimated to cover his quarterly requirements. Petroleum products imported in tankers are exempt from this requirement.
- (c) The Carteira will examine the Preference Requests submitted and, when warranted, will recommend them to the United States Board of Economic Warfare.
- (d) The Board of Economic Warfare will grant export licences for materials consigned to Brazil upon the recommendation of the Carteira only.
- (e) The Carteira will supply the importer with one copy of its "recommendation" for *his exclusive use*. It is no longer necessary, as formerly, to forward this copy to the North American exporter, as the latter will be informed directly by the Board of Economic Warfare.
- (f) The Preference Requests mentioned in Paragraph (b) should be submitted to whichever branch of the Bank of Brazil is closest to the locality in which the material to be imported is to be used.
- (g) Whenever possible the applicant should submit at the same time all his Preference Requests covering the same quarterly period.
- (h) Under the terms of the regulations made by virtue of Decree-Law No. 3980 of December 27, 1941, the Carteira will, whenever it is considered advisable, investigate the declarations and the information contained in the Preference Requests.
- (i) Preference Request forms, as well as instructions for completing them, and copies of the "List of Import Products" will be available at the Head Office of the Carteira and at the various branches of the Bank of Brazil immediately following publication of a notice to importers inviting them to submit their Preference Requests.

According to advice just received from the Canadian Commercial Attaché at Rio, the new system is to become effective for goods required in Brazil during the second quarter of 1943. The procedure regarding issuance of preference requests for Canada has not yet been fully agreed upon, but a plan is being worked out between Canadian and United States representatives in Brazil whereby Canadian firms will be promptly informed of any Preference Requests which may be issued in their favour. Additional information is also expected regarding the status of Canadian goods which have already been licensed for export but which will be shipped at a future date without Preference Requests. Further details will be published in the *Commercial Intelligence Journal*, as soon as they are available.

TRADE OF JAMAICA IN 1941

F. W. FRASER, CANADIAN TRADE COMMISSIONER

I

Kingston, December 23, 1942.—The foreign trade of Jamaica in 1941, the second full calendar year under wartime conditions, totalled £10,484,288 in value as compared with £9,367,060 in 1940, £11,271,435 in 1939 and an annual average of £10,436,842 during the five-year period 1936-1940.

IMPORTS

The value of imports during 1941 totalled £6,517,435, including parcel post shipments amounting to £125,598, the highest figure recorded since 1929 when import values reached £7,027,013. Comparative values for previous years were £6,154,060 in 1940, £6,506,689 in 1939, and an annual average of £6,071,633 for

the five-year period 1936-40. While increased landed costs must account to some extent for the high figure reached in 1941, it is noteworthy that, according to the Collector General's report, recently published, there was an increase in the number of tons of merchandise landed as compared with the previous year (483,171 tons in 1941 as against 474,612 tons in 1940) and only a 14 per cent drop as compared with 1939 when the figure was 563,044 tons and the landed values about the same. From the point of view of volume, therefore, Jamaica's import trade has held up remarkably well.

There were decreases in quantities of imports of a number of items, including butter substitutes, confectionery, salt fish, pickled herrings, rice, wheat flour, cornmeal, wet salted beef, condensed milk, spirituous liquors, lumber, boots and shoes, cement, artificial silk piece-goods, and laundry soap. It is noteworthy, however, that the decreases in some of these items were due directly to increased local production of certain products, encouraged and in some cases fostered by the Government. The most important of these were butter and lard substitutes, confectionery, cornmeal, condensed milk, and laundry soap. On the other hand, increases in quantity are recorded for beer, butter, pickled alewives, canned fish and pickled mackerel (which together practically offset the decline in salt fish), canned meats, bacon and ham, wet salted pork, tea, leaf tobacco, and cotton piece-goods. Unimportant changes in quantity took place in the imports of salt, cigarettes, coal, boots and shoes, and motor cars and trucks.

In those items not quantitatively recorded, increased values are shown for imports of motor-car parts, glass and glassware, haberdashery and millinery, railway and tramway machinery, medicines and drugs, steel bars and sheets, nails, screws and rivets, perfumery and cosmetics, hoops and shooks, and wool manufactures, while there were declines in imports of apparel of all kinds, chinaware and earthenware, cotton manufactures other than piece-goods, hardware, agricultural machinery, galvanized iron roofing, stationery other than paper, and furniture of wood. Unimportant changes occurred in painters' colours and materials and in paper of all kinds.

EXPORTS

A substantial increase is also recorded in the value of the Island's export trade as compared with 1940, the figures being £3,966,853 and £3,213,000 respectively. On the face of it, the balance of trade would appear to be distinctly adverse to Jamaica. Several factors, however, that do not appear in the trade returns tend to counterbalance this apparent disparity. In the first place the import figures are c.i.f. and the export figures f.o.b. For purposes of comparison the cost of freight and insurance on Jamaica's exports would have to be added to the export values which, taken at, say, 15 per cent, would bring the total up to £4,562,380. In addition, the value of the subsidy paid by the British Government to the banana industry for bananas not shipped should be included, and also the value of the large quantities of rum which have been sold and paid for but not actually exported.

Raw sugar for the first time was in first place among the Island's export products, a position long held by bananas. Exports of this commodity reached 137,352 tons valued at £1,585,000 as compared with 81,469 tons in 1940 valued at £848,431. Bananas held second place with 5,588,555 stems valued at £900,696, a decline in quantity of about 20 per cent from the previous year's figure but only a fraction of that for the peak year in 1937, when 26,955,489 stems (£2,656,883) were exported. Rum shipments dropped from 1,065,720 gallons (£338,286) to 442,003 gallons (£264,675), while pimento (allspice) fell moderately in quantity, from 3,506,083 pounds in 1940 to 3,246,994 pounds in 1941, but increased in value from £119,152 to £151,662. Coffee exports showed a further decline, from 5,862,496 pounds (£113,847) to 4,592,215 pounds (£111,903), but cocoa increased from 2,038,553 pounds (£26,533) to 4,921,548 pounds (£90,983).

Increased shipments were also recorded for coconuts, ginger, cigars, goatskins, logwood, essential oils, and butter substitutes, while there were smaller shipments of grapefruit, oranges and limes, honey, annatto, and logwood extracts.

SOURCES OF SUPPLY

For the first time in history, Canada moved into first place as a source of supply to Jamaica, providing goods to the value of £2,109,361, exclusive of parcel post*. The United Kingdom was in second place with £1,787,987, and other British Empire countries shipped in the aggregate goods to the value of £1,288,401. The value of imports from foreign countries totalled £1,206,088, of which £869,228 is credited to the United States.

Apart from Canada and the United Kingdom, the principal Empire sources of supply in 1941 were: Australia, £145,291 (grease, flour); Bahamas, £13,228 (lumber); Hongkong, £100,048 (cotton manufactures, boots and shoes); India, £349,967 (boots and shoes, bags and sacks, cotton piece-goods); Newfoundland, £201,032 (codfish, paper); New Zealand, £62,407 (butter); and Trinidad, £168,393 (asphalt, kerosene, gasoline, and fuel oil).

Imports from foreign sources other than the United States came chiefly from: Chile, £70,587 (chemical manures); and the Dutch West Indies, £206,830 (fuel oil, gasoline).

IMPORTS FROM CANADA

The value of imports from Canada into Jamaica in 1941 reached an all-time high at £2,109,361 (33 per cent of the total value of imports) as compared with £1,504,723 in 1940 (25 per cent), £1,121,108 in 1939 (17·7 per cent), £1,014,267 in 1938 (16·1 per cent) and £891,035 in 1937 (14·9 per cent). Increases were general throughout the entire list of commodities imported, although a few declines were recorded, chiefly in items under strict control. Following are the principal items of import from Canada with their values for 1941, those for 1940 being shown within parentheses:—

Food, Drink and Tobacco.—Butter, £4,902 (£700); cattle and other animal foods, £14,714 (£9,321); cheese, £22,868 (£20,876); prepared cocoa, £4,672 (£448); confectionery, £6,924 (£6,129); eggs, £692 (£2,841); pickled alewives, £25,637 (£14,320); canned fish, £47,420 (£13,490); dried salted fish, £22,905 (£24,397); pickled herring, £5,902 (£4,046); smoked herring, £3,848 (£904); pickled mackerel, £103,208 (£68,297); apples, fresh, £3,969 (£1,509); oats, £7,497 (£2,992); wheat, £6,096 (£4,421); flour, £341,706 (£339,178); cereals, manufactured, £8,195 (£7,215); malt, £7,209 (£550); hops, £1,647 (nil); jams, jellies and preserved fruits, £5,872 (£2,168); bacon, £19,461 (£12,772); beef, wet salted, £18,509 (£5,870); ham, £29,455 (£12,475); wet salted pork, £30,609 (£8,584); condensed milk, £29,037 (£33,295); powdered milk, £4,575 (£2,622); provisions, £38,530 (£17,993); potatoes, £5,856 (£2,214); onions and garlic, £9,242 (£5,209); and dried, canned or preserved vegetables, £4,932 (£1,029).

Raw Materials.—Temper lime, £303 (nil); plants, seeds and bulbs, chiefly seed potatoes, £7,794 (£9,154); Douglas fir lumber, £77,566 (£51,423); white pine lumber, £5,175 (£3,539); and shingles, £11,783 (£4,513).

Manufactured Articles.—Advertising matter, £2,860 (£3,235); apparel, £112,592 (£171,899); artificial silk piece-goods, £587 (£11,280); handbags, £7,861 (not previously classified); bags and sacks for putting up Island produce, £8,562 (£6,309); bee-keeping apparatus, £1,731 (£1,211); boots and shoes of leather, £43,951 (£71,923); boots and shoes of canvas and rubber, £5,831 (£5,030); brooms and brushes, all kinds, £9,560 (£2,981); motor cars and trucks, £94,125 (£47,808); tires and tubes for motor cars and trucks, £55,502 (£59,004); other parts and accessories, £23,093 (£16,387); Portland cement, £31,704 (£27,089); insecticides, £3,042 (£1,109); chemicals, £4,318 (£814); chinaware, porcelain and pottery, £3,611 (£2,572); cordage, i.e., string and twine, £5,100 (£1,726); cordage, other kinds, £2,170 (£587); cotton piece-goods, £796 (£5,642); cotton yarn, £3,370 (£70); other cotton manufactures, £7,155 (£9,948); cutlery, £6,143 (£1,564); electrical apparatus for generating electricity, £27,081 (£7,129); radio and wireless sets, £3,470 (£1,575); telegraph and telephone apparatus, £4,237 (£5,223); other kinds of electrical apparatus, £26,652 (£8,163); chemical manures, £15,144 (£13,591); glass and

* As in former years, imports by parcel post are not included in these figures or taken into account in the percentage calculations, as such imports are not classified by countries in the Jamaican trade returns. The omission, however, makes little, if any difference, in the percentages.

glassware, £8,933 (£2,217); haberdashery and millinery, £14,038 (£3,304); hardware, £63,719 (£46,824); implements and tools, £17,701 (£10,052); machinery, £25,300 (£25,829); medicines and drugs, £45,922 (£18,747); iron and steel manufactures, (i.e. bars and sheets, nails, screws and rivets, piping, galvanized roofing, and wire of all kinds), £103,056 (£76,751); other metals and manufactures thereof, £16,672 (£7,120); oilcloth, £3,544 (£2,036); painters' and printers' colours and materials, £26,858 (£13,306); paper and paper manufactures, £139,141 (£83,474); perfumery, cosmetics and toilet preparations, £6,242 (£8,993); plate and plated ware, £1,741 (£586); polishes and blacking, £2,157 (£808); roofing of felt, £4,289 (£5,451); manufactures of rubber and gutta percha, other than tires and tubes, £10,158 (£4,191); toilet soap, £2,882 (£3,764); stationery, other than paper, £7,176 (£4,723); toys and games, £2,761 (£1,612); wallboard and compoboards, £8,153 (£2,976); containers of wood for Island produce, £39,508 (£25,890); and furniture of wood, £5,336 (£6,147).

TREND OF IMPORT TRADE

The trend of Jamaica's import trade for the past three years is shown in the following table:—

Jamaica's Imports by Countries

	1939	1940	1941
United Kingdom	£1,847,731	£1,885,068	£1,787,987
Canada	1,121,108	1,504,723	2,109,361
Other Empire countries	1,101,651	1,256,302	1,288,401
United States	1,471,285	961,524	869,228
All other countries	797,758	417,551	336,860
Parcel post	167,156	128,892	125,598
Total	£6,506,689	£6,154,060	£6,517,435

Jamaica's trade statistics follow the British Board of Trade classification. Imports by categories during the last three years are shown in the following table:—

Jamaican Imports by Commodity Groups

	1939	1940	1941
Food, drink and tobacco	£1,757,451	£1,668,249	£1,748,473
Raw materials	362,004	381,516	412,344
Manufactured goods	4,212,290	3,969,779	4,152,428
Animals and birds, not for food	2,286	3,397	2,862
Bullion, specie and parcel post	172,658	131,119	201,328
Total	£6,506,689	£6,154,060	£6,517,435

NOTES ON IMPORTED COMMODITIES OF INTEREST TO CANADA

FOOD, DRINK AND TOBACCO

Butter.—Imports totalled 1,087,728 pounds (£66,205), of which New Zealand supplied 974,280 pounds (£59,067). Canada has not participated in this trade to any great extent in recent years, but in 1941 increased her shipments to 77,720 pounds (£4,902) from the previous year's total of 11,620 pounds (£700).

Cattle and Other Animal Foods.—Total imports were 2,327,441 pounds (£15,161). Of this amount 2,035,081 pounds (£13,654) consisted of mixed feeds, the small remainder being bran and middlings, hay and chaff, and linseed meal. Over 95 per cent was supplied from Canada. Imports of animal feed have steadily increased during recent years, due to the development of the dairy industry and a wider recognition of the value of a balanced ration for dairy cattle and poultry.

Cheese.—Total imports amounted to 496,168 pounds (£23,653), a fractional increase over the figure for the previous year. Canada continued to be practically the sole supplier.

Cocoa, Prepared.—Total imports were 415,711 pounds (£12,436) in 1941 as against 278,647 pounds (£8,052) in 1940. Canada's share increased from 22,720 pounds (£448) to 236,775 pounds (£4,672).

Confectionery.—Imports dropped in quantity but increased slightly in value, which may be partially attributable to the restriction on imports of certain grades of cheap candies in order to stimulate local production. Total imports in 1941 were 266,448 pounds (£16,990) as compared with 317,171 pounds (£16,525) in 1940. Canada supplied 119,912 pounds (£6,924) as against 124,317 pounds (£6,129) in 1940.

Fish: (a) *Alewives, Pickled.*—Total imports amounted to 2,696,700 pounds (£25,744) as compared with 2,083,000 pounds (£14,434) in 1940, all of which came from Canada.

(b) *Canned.*—Total imports were 1,721,137 pounds (£48,260) as against 983,291 pounds (£25,133) in 1940. Canada supplied 1,709,652 pounds (£47,420), an increase of nearly 400 per cent as compared with the 1940 figure.

(c) *Dried, Salted.*—The imports dropped sharply in volume, totalling 9,713,880 pounds (£217,864) as compared with 11,469,835 pounds (£180,416) in 1940 and 17,428,907 pounds (£202,884) in 1939. Varied reasons are advanced to explain this falling-off. The subject was dealt with in some detail in a report published in *Commercial Intelligence Journal* No. 1984 (February 7, 1942). Shipments from Canada fell from 1,645,505 pounds (£24,397) in 1940 to 988,474 pounds (£22,905).

(d) *Herring, Pickled.*—Imports declined slightly in volume but values were higher, 494,000 pounds (£5,964) as against 571,800 pounds (£4,079). Apart from negligible quantities from Newfoundland, Canada was the sole supplier.

(e) *Herrings, Smoked.*—A substantial increase is recorded in imports of this commodity. Although the business is relatively small as compared with that in other types of preserved fish, total imports amounted to 217,591 pounds (£3,854) as against 48,117 pounds (£914) in 1940. Before the outbreak of war the principal supplying countries were Norway and the United Kingdom.

(f) *Mackerel, Pickled.*—Imports totalled 8,641,000 pounds (£103,604) as compared with 8,034,500 pounds (£68,951) in 1940. Apart from negligible quantities from Newfoundland, Canada was the sole supplier.

Fruits, Fresh, i.e. Apples.—Total imports were 220,198 pounds (£3,973) as compared with 139,727 pounds (£2,677) in 1940. Canada was the sole supplier in both years.

Grain and Flour: (a) *Oats.*—Total imports amounted to 1,579,184 pounds (£7,497) as compared with 1,200,764 pounds (£5,523) in 1940. Canada was the sole supplier in 1941; in former years Chile was a strong competitor.

(b) *Wheat.*—Total imports were 1,209,675 pounds (£6,389) as against 878,785 pounds (£4,470) in 1940. It is noteworthy that in 1929 only 211,450 pounds (£1,498) were imported, but there has been a small but steady increase each year since.

(c) *Flour of Wheat.*—Imports totalled 369,499 bags of 196 pounds (£412,239) a considerable reduction from the previous year's figure of 462,990 bags (£449,983). Canada shipped 301,131 bags (£341,706) as against 313,499 bags (£339,178) in 1940, the remainder coming from Australia.

(d) *Cornmeal.*—Imports of this item, which were formerly substantial (70,660 bags of 196 pounds in 1938), have entirely ceased owing to increased local production of corn, which is ground at the government-owned cornmeal factory.

(e) *Peas and Beans, Whole.*—Total imports amounted to 143,685 pounds (£1,718) as against 864,624 pounds (£10,357) in 1940 and 2,286,161 pounds (£14,442) in 1938. As in previous years, Chile was the main supplier. The decline in imports is directly attributable to increased local production.

(f) *Peas and Beans, Split.*—Total imports were 119,358 pounds (£1,164) in 1941 as compared with 140,448 pounds (£1,867) in 1940 and 503,492 pounds

(£2,997) in 1938. As in the case of whole peas and beans, the decline is attributable to import restrictions designed to encourage domestic production.

Jams, Jellies and Preserved Fruits.—Imports totalled 310,825 pounds (£11,138) in 1941 as against 309,615 pounds (£9,147) in 1940 and 593,810 pounds (£13,697) in 1938. The decline in the war period as compared with pre-war years is due to the restriction of imports of certain goods in the luxury class. Canada was the largest supplier in 1941 with 171,640 pounds (£5,872) as compared with 77,504 pounds (£2,168) in 1940 and 34,310 pounds (£1,094) in 1938. Canadian labels are becoming better known in the Colony, and the excellent and consistent quality of the product is highly regarded by the consumer.

**Meats:* (a) *Canned.*—Total imports were 750,185 pounds (£31,376) as compared with 557,081 pounds (£17,888) in 1940. Uruguay was the largest shipper with 375,185 pounds (£15,611), followed by Brazil with 219,348 pounds (£6,892), Australia with 88,889 pounds (£3,729), Canada with 36,502 pounds (£2,415), and the United Kingdom with 24,173 pounds (£2,120).

(b) *Fresh.*—There was considerable falling-off in the importation of fresh meat as compared with 1940, the figures being 157,010 pounds (£6,578) and 310,246 pounds (£9,519) respectively. Canada's shipments in 1941 consisted of fresh beef, 15,018 pounds (£742); mutton, 11,123 pounds (£587); poultry and game, 14,956 pounds (£969); and other kinds of fresh meats, 29,489 pounds (£1,521).

(c) *Bacon.*—Imports totalled 299,991 pounds (£19,466) as against 248,613 pounds (£12,722) in 1940. Canada was the sole supplier in 1941.

(d) *Beef, Wet Salted.*—Total imports amounted to 860,087 pounds (£23,817) as compared with 1,135,065 pounds (£25,843) in 1940. In the latter year Australia was the main supplier with 614,600 pounds (£14,379), Canada supplying the bulk of the remainder, or 256,600 pounds (£5,870). In 1941, however, the position was reversed, Canada supplying 646,600 pounds (£18,509) and Australia 208,970 pounds (£5,178).

(e) *Ham.*—Total imports were 364,883 pounds (£29,549) as against 256,640 pounds (£17,187) in 1940. Of the 1941 imports Canada supplied 360,861 pounds (£29,455) as against 194,475 pounds (£12,475) during the previous year.

(f) *Pork, Wet Salted.*—Imports totalled 1,192,935 pounds (£30,809) as against 732,900 pounds (£15,341) in 1940. Canada's share of this trade was 1,182,935 pounds (£29,455) as compared with 412,000 pounds (£8,584) during the previous year.

Milk: (a) *Condensed.*—Total imports were 1,956,078 pounds (£42,215), of which 1,378,723 pounds (£29,037) came from Canada and the remainder from the United States. Imports of this commodity, which ran to over 10,000,000 pounds (£151,708) in 1939, have progressively declined each year following the erection in Jamaica of a condensary designed ultimately to take care of the Island's total needs and possibly provide a surplus for export to neighbouring islands.

(b) *Powdered or Preserved.*—Total imports were 154,848 pounds (£5,253) as compared with 119,425 pounds (£3,782) in 1940. Of the 1941 imports, Canada supplied 124,880 pounds (£4,575) and New Zealand the remainder.

Tobacco, Unmanufactured Leaf.—Total imports amounted to 838,484 pounds (£70,346), of which Canada shipped 660,529 pounds (£47,440); the United States, 150,370 pounds (£12,699); Cuba, 9,088 pounds (£5,531); and Puerto Rico, 18,482 pounds (£4,676). Comparative totals for previous years were 399,391 pounds (£36,925) in 1940, 686,305 pounds (£55,521) in 1939, and 771,568 pounds (£48,465) in 1938. Canada's share of this trade in pre-war years was small, amounting in 1938 to 99,284 pounds (£4,645).

* A report on the market for meats in Jamaica was published in *Commercial Intelligence Journal* No. 2001, June 6, 1942.

Vegetables, Fresh: (a) *Onions and Garlic.*—Imports totalled 1,155,325 pounds (£11,587) as against 1,676,025 pounds (£10,216) in 1940. Canada was the principal supplier, small lots coming from Bermuda, New Zealand and Chile. In 1940 Egypt and the United States shipped fair quantities, while in 1938 these two countries supplied 666,150 pounds (£2,620) and 1,010,080 pounds (£5,608) respectively.

(b) *Potatoes (Other Than Seed).*—Total imports were 1,259,580 pounds (£5,858) as against 428,226 pounds (£2,214) in 1940. Canada was the sole supplier in both years.

(c) *Dried, Canned or Preserved.*—Total imports amounted to 200,341 pounds (£5,332), of which Canada shipped 191,545 pounds (£4,932). In 1940 imports were only 68,862 pounds (£1,519), of which Canada's share was 54,870 pounds (£1,029).

RAW MATERIALS

Temper Lime.—Total imports of this item in 1941 amounted to 495 tons (£3,849), of which 440 tons (£3,485) came from the United Kingdom and 54 tons (£303) from Canada. The Dominion had no previous share in this trade. As the result of war conditions, renewed attention has been recently directed to local deposits of limestone, and production of lime is being undertaken on a fairly large scale, both for chemical and building purposes. According to report, the Island is rich in limestone of the high-calcium type, and it is stated that the Island's requirements of temper lime (which is largely used in the sugar factories to neutralize the acidity of the cane juice) can be amply filled by local production. This, however, has still to be demonstrated. Experiments are also being conducted in respect of hydraulic lime as a substitute for Portland cement.

Plants, Seeds and Bulbs.—Total imports in 1941 were valued at £9,484, of which £7,794, consisting chiefly of seed potatoes, is credited to Canada. In 1940 the value was £11,159, of which Canada's share was £9,154.

Wood and Timber: (a) *Douglas Fir, Rough and Dressed.*—Total imports amounted to 5,930,418 feet (£77,566) as against 4,619,857 feet (£51,423) in 1940, all of which came from Canada.

(b) *Pitch Pine, Rough and Dressed.*—Imports totalled 8,330,039 feet (£120,232) as compared with 11,213,191 feet (£130,559) in 1940. The United States was the principal supplier in both years, but the Bahama Islands shipped 963,436 feet (£11,354) in 1941 and 1,596,905 feet (£16,734) in 1940.

(c) *White Pine, Rough and Dressed.*—Total imports were 292,002 feet (£5,175) as compared with 166,374 feet (£3,539) in 1940, all of which came from Canada.

(d) *Shingles.*—Imports totalled 3,480,326 (£11,783) as against 1,738,834 (£5,390) in 1940. Canada was practically the only supplier in both years.

FARM MORTGAGE FINANCE IN AUSTRALIA

K. F. NOBLE, ASSISTANT TRADE COMMISSIONER

Sydney, December 4, 1942.—Legislation passed by the Commonwealth Government of Australia implements the recommendation of the Banking Commission (1936) for the establishment of a national Farm Mortgage Bank.

Rural indebtedness in Australia is estimated at some £400,000,000, and this is apart from outstanding short-term obligations arising from the purchase of implements and farm supplies.

The primary function of the new organization, which is to operate under the supervision of the Commonwealth Bank Board as a separate section of the bank, will be to assist individuals engaged in "all farming, agricultural, horticultural, pastoral or grazing operations" and in such other forms of primary production that the bank considers entitled to assistance.

It is not intended, however, that the Commonwealth Farm Mortgage Bank shall monopolize the field, which will remain as heretofore open to private individuals and companies, but it is considered likely that the intervention of the Government in the field will establish certain standards to which private enterprise must conform.

Admittedly the creation and extension of facilities will be slow under present manpower and financial conditions, but it is intended that the Government organization will be effective in post-war agricultural reconstruction and rehabilitation of the armed forces.

Financial advances through the Commonwealth Farm Mortgage Bank will be limited to 60 per cent of the value of property, the ceiling being £4,000, and, while the contracts will prohibit supplementary borrowings from private sources, special provision is made for refinancing and consolidating existing charges on properties.

The general proposals provide for initial capital not to exceed £4,000,000, which will be obtained from the Commonwealth Bank by

1. The transfer of £1,000,000 from the gold premium profit reserve of the Note Issue Department.
2. The allotment of £150,000 from the profits of the Note Issue Department.
3. The earmarking of one-quarter of the annual profits of the general business, which will yield about £100,000 per annum.

Apart from the capital from designated sources, there will be grants from the investment funds of the Commonwealth Bank to a maximum of £1,000,000 and direct support by the Commonwealth Treasury through allocations from consolidated revenue and bond issue.

AUSTRALIAN FRUIT INDUSTRY SUGAR CONCESSION COMMITTEE

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Sydney, December 19, 1942.—The eleventh annual report of the Australian Fruit Industry Sugar Concession Committee includes a review of the Commonwealth's fruit industry from the standpoint of its fruit export position. In the past it has been customary to incorporate in the Committee's annual reports latest available statistical returns covering the production and export of manufactured fruit products, but these figures have been excluded under national security regulations for the duration of hostilities.

FUNCTIONS OF THE COMMITTEE

The chief functions of this Committee are (a) to determine prices that are considered reasonable for manufacturers to pay for fresh fruits; (b) payments to manufacturers of domestic sugar rebate and special export assistance, conditional *inter alia* on manufacturers having purchased all their requirements of fresh fruits for the entire season at not less than the prices prescribed by the Committee.

Export rebates have been provided under the various Commonwealth Sugar Agreements since 1923, with a view to reducing the domestic price of refined sugar contained in export goods to the Australian equivalent of the world's sugar parity price, i.e., cost at which the cheapest available foreign refined sugar can be landed at an Australian manufacturer's store without customs duty. Substantial increases in world sugar prices and overseas freights and charges have resulted in the elimination, for the time being, of the export sugar rebate except in connection with exports to New Zealand.

In determining reasonable prices payable by manufacturers for fresh fruits, the Committee closely studies all relevant angles such as probable crop yields, stocks and prospective market prices and sales volumes, both domestic and overseas. If circumstances warrant, the Committee confers with responsible representatives of fruit-growers and processors. To ensure that complete information is made available to the Committee before important decisions are arrived at, a responsible member of each of the following bodies is included in an Advisory Committee: Commonwealth Department of Trade and Commerce; Queensland Sugar Board; canning fruits growers; non-canning fruits growers; co-operative and state manufacturers of fruit products; and proprietary manufacturers of fruit products.

1941-42 EXPENDITURE

The Committee report expenditure during 1941-42 as follows: domestic sugar rebate, approximately £A111,900 (\$391,650)—an increase of £A3,979 (\$13,926) over the figure for the previous year—indicating a consumption of 50,864 tons of sugar for the year in the manufacture of fruit products, or 1,809 tons more than the previous largest amount, due wholly to increased outputs of jams to meet increased export demand as a result of the war; export sugar rebate, approximately £A101,500 (\$355,250)—£A121,074 (\$423,759) less than for the previous year, due to the fact that export sugar rebate ceased to be payable on exported fruit products as from January 1, 1942.

It is noteworthy, particularly in view of the Commonwealth-wide ramifications of this Committee and the intensive investigation annually required, that administrative expenses were again remarkably low and amounted to only 0·46 per cent of total expenditures. The average cost of administration for the entire period during which the Committee has functioned has been only 0·375 per cent of the total.

FRESH FRUIT PRICES

A comparative table of average prices is appended; it should be noted, however that minimum prices are quoted. Each year the prices of some fruits are higher or a bonus is paid, due to short crops in certain districts or states, the operations of a growers' organization, or the higher profits of certain canners. Minimum prices for 1942 averaged approximately 36 per cent higher than those for all factory fruits during the period 1930-31, just prior to the formation of the Committee and the introduction of the present system.

Comparative Minimum Prices of Fresh Fruits in Australia

	1942*		Average for 1932-41	
	Canning Per Lb. d.	Non-Canning Per Lb. d.	Canning Per Lb. d.	Non-Canning Per Lb. d.
Black currants	4½	4½	3.19	2.94
Gooseberries	2½	2	1.49	1.24
Kentish cherries	3	3	2.19	2.19
Loganberries	3	2½	2.55	2.05
Raspberries	4	3½	3.16	2.66
Red currants	3½	3½	2.62	2.62
Strawberries	6	6	4.32	3.87
	Per Ton £ s. d.	Per Ton £ s. d.	Per Ton £ s. d.	Per Ton £ s. d.
Apricots	14 0 0	12 0 0	11 12 0	9 6 0
Peaches—				
Clingstone:				
Clear centres	13 0 0	9 0 0	10 18 0	7 4 0
Other	12 0 0	9 0 0	10 4 0	7 4 0
Freestone	9 10 0	9 0 0	8 2 0	7 4 0
Pears—				
Bartlett	12 0 0	12 0 0	10 0 0	10 0 0
Kieffer . . . . .	†	.....	8 6 0	8 6 0
Packham . . . . .	†	.....	.....	.....
Plums	8 10 0	8 10 0	6 16 0	6 16 0

	1942*		Average for 1932-41	
	Canning Per Ton £ s. d.	Non-Canning Per Ton £ s. d.	Canning Per Ton £ s. d.	Non-Canning Per Ton £ s. d.
Quinces	8 10 0	7 10 0	6 16 0	6 12 0
Pineapples —				
Not less than 4 inches in diam-				
eter and 5 inches in length,				
"tops off"	9 6 8½	9 6 8½	8 10 0	8 10 0
	Per Case s. d.	Per Case s. d.	Per Case s. d.	Per Case s. d.
Market purchases, "tops on" . .	4 6½	4 6½	3 8½	3 8½

NOTE: £A1 equals approximately \$3.50 Canadian.

* In connection with the foregoing, it should be stated that berry fruit prices are for delivery at factory. Pineapple prices are at growers' railway station, but manufacturers must pay freight and cartage on fruit purchased at markets. For all other fruits, canning prices are at growers' railway station or country cannery, and non-canning prices are at metropolitan factory, although non-canning fruits delivered at country factories are £1 per ton less than prices set out above.

† No prices are fixed by the Committee for Kieffer and Packham pears. It is stipulated that cannery requiring pears for processing should purchase through the Apple and Pear Board.

‡ Prices shown are the averages for the summer and winter crops for 1942.

PRESENT FRUIT POSITION IN AUSTRALIA

The Committee's report indicates that the 1942 fruit canning season in Australia opened under considerable difficulty. Due to the unavoidable lack of shipping instructions, a large quantity of canned fruit was held by processors. Further, prospects for the disposal of surplus stocks overseas were uncertain, and the entry of Japan into the war and its possible effect on tinplate supplies was an additional problem.

As a result of representations made by the Australian Canned Fruits Board to the Minister for Commerce, the Commonwealth Government in January, 1942, approved of proposals for the handling of the season's canning fruit crops. It was proposed that, subject to processors undertaking to handle normal supplies of canning fruits and co-operating in the production of specified tonnages of fruit pulp for export to the United Kingdom, the Commonwealth Government would provide financial relief in respect of unsold stocks of canned fruits held by cannery at October 31, 1942. The arrangement benefited growers and cannery and permitted the Commonwealth Government to provide the United Kingdom with a useful tonnage of fruit pulp.

In respect of canned apricots, peaches and pears, the 1942 pack amounted to 2,125,042 cases (2 dozen 30-ounce cans per case), a decline of 607,658 cases from the 1941 season's production. The Committee report that the chief reasons for this decline were primarily manpower difficulties and the conversion into pulp of a substantial tonnage of fruit which would ordinarily have been canned. This diversion incidentally resulted in the elimination of canned apricots from the Australian domestic market.

Service requirements, including supplies to the British Government, have absorbed most of this year's stocks. The volume available for civilian consumption has consequently been lower than that usually distributed annually in Australia. As a result of increased demand for canned goods generally, canned fruits will undoubtedly be in short supply until replacement stocks are available from the 1943 pack.

NEW SEASON'S PROSPECTS

Prospects for the 1943 pack—based on reports received by the Committee from growers and cannery—are extremely difficult to forecast. Despite favourable climatic conditions, important factors such as tinplate supplies, manpower and increasing service needs will seriously affect the quantity of canned fruit available for civilian consumption and overseas markets. With regard to pineapples, the demand for the canned product, including juice, for service requirements has been and will doubtless continue to be heavy. This increased demand, in conjunction with reduced output, has resulted in a virtual cessation of export

trade and severe curtailment of supplies for civilian consumption. The 1942 summer pack of canned pineapples was equivalent to 16,685 cases, reflecting a substantial drop in production in comparison with the summer pack of the previous year. The season was a difficult one for both growers and canners, abnormal climatic conditions on the one hand and labour difficulties on the other combining to unfavourably affect production. Processing of the 1942 winter pack is now proceeding but another reduced pack is indicated.

New season's prospects with regard to berry fruits seem more favourable by reason of the fact that good clearances of stocks of processed goods have this year been effected, although British Government requirements of pulps and jams and the prices they are prepared to pay for these items, together with the availability of the requisite shipping space to move the goods, will undoubtedly have an important bearing on the success or otherwise of the current season. Prior to the determination of prices by the Committee, the Tasmanian Government submitted proposals—following the failure of Tasmanian growers and processors to reach a price agreement—for the exportable surpluses of black currant and raspberry pulps to be acquired by the Commonwealth Government for disposal to the British Food Ministry. The proposals provided for fixed prices to be paid to growers and for processors to be reimbursed on a "cost plus 7½ per cent" basis. They were rejected.

The Committee also reports that clearances of stocks of jams and fruit pulps during 1941 were heavy and that very small surplus stocks were on hand at the end of the year. Processors faced the 1942 season with confidence, in view of strong demand from the United Kingdom. Early in the season, however, it was considered advisable to prohibit the export of these items except for special orders approved by the Minister, in view of unprecedentedly heavy demands for jams to meet local service and government requirements. Export clearances for the present year have consequently been comparatively small. Export prices of both jams and pulps showed some advance on the 1941 quotations, but the Committee points out that production costs in most cases greatly advanced.

The outlook for next season's jams is at present extremely uncertain, dependent largely on the extent to which resumption of export trade in this commodity is permissible, on remuneration offered to exporters, and on production costs. In addition the requirements of the allied forces in the Southwest Pacific are expected to at least equal those of 1942. At the same time, provided adequate shipping space becomes available and the quality and packing requirements of British purchasers can be met, it may be assumed that any surplus pulp stocks will be marketed in the United Kingdom.

AIRCRAFT PRODUCTION ON THE SOUTHWESTERN COAST OF THE UNITED STATES

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, January 18, 1943.—Aircraft production, one of the main industries on the southwestern coast of the United States, has again shown wide expansion during the past year. The principal units forming part of this industry in Southern California consist of the following eight companies: Douglas, Consolidated, North American, Northrop, Lockheed, Ryan, Vultee, and Vega.

Notwithstanding the phenomenal expansion of the industry in 1941, when it was producing war material for the Allied Nations on a large scale, added impetus was given it after the entry of the United States into the war. This

may explain the further increase in production in 1942 of approximately 144 per cent, a remarkable development considering the high rate previously attained. A recent Dow Jones review, covering a study by the Federal Reserve Bank of San Francisco, estimates that between 1939 and 1941 the value of deliveries of the eight companies, now representing nearly all of the finished plane production of the area, advanced from about \$108 million to upwards of \$625 million annually. The value has latterly been estimated at substantially more than \$2 billion a year, and for 1943, under known federal objectives, this figure may possibly be doubled.

Production of the entire United States aircraft industry in 1939 was valued at \$250 million; in 1940 it was valued at \$640 million, and in 1941 this was increased to \$1,600 million.

The present backlog of the eight principal West Coast producers is estimated at \$9,000 million. The vast development of this industry could not have been achieved without full utilization of all the facilities available. It is largely the result of an agreement between the companies whereby men, materials and ideas of the respective organizations are pooled and made available to all units. By this method the entire industry has benefited from the results of research work covering years and costing millions to the various units in the industry. This has resulted in expansion by the local firms.

Subsidiary plants have also been established in many cities in the East and Midwest, some of which are complete producing units. Apart from the main plants of the principal manufacturers, some 800 plants in Southern California are manufacturing parts. The number of employees in these plants varies from two persons to three thousand.

The employment of women in the aircraft industry has also contributed to its expansion. More than 35 per cent of the workers now employed in the aircraft industry are women, and it is expected that this will increase to 75 per cent during the current year.

Increased labour efficiency, the application of mass production principles, especially in air-frame fabrication, has contributed materially to reducing the costs of production, the Government being the principal beneficiary.

In view of the risky nature of this phenomenal expansion, and in order to make provision for the future, the managements of the various companies engaged in aircraft production have adopted safeguarding policies by setting up large reserves against post-war adjustment, so as to provide for their being in a strong financial position after the war. Between 1935 and 1941 the total assets of the Pacific Coast firms increased by \$525 million, but during this period private capital investments increased by only \$37 million; thus only about 7 per cent of the increase in fiscal requirements was obtained from private capital, the remainder being provided by the Government. This took the form of guaranteed borrowing from the banks, contract deposits and advances, and cost-plus payments. The decreasing importance of private capital is illustrated by the fact that in 1935 the stock and paid-in surpluses accounted for 72 per cent of total assets, while by the end of 1941 this had fallen to 9 per cent.

One of the effects of this expansion has been to attract a considerable number of workers from other parts of the country and from rural districts, thus setting up minor economic problems in the area of production in Southern California. Inflated payrolls of an increased population have stimulated wholesale and retail trade, but at the same time have contributed to producing some shortages in housing, foodstuffs, etc., temporarily disrupting distribution at the end of the year.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

CONTROL OF EXPORTS FROM CANADA

PENALTIES FOR INFRACTION OF THE REGULATIONS

By Order in Council P.C. 123 of January 19, 1943, effective February 1, 1943, Paragraph 14 of the original Order in Council P.C. 2448 of April 8, 1941, establishing the Export Permit Branch under the Department of Trade and Commerce is amended to read as follows:—

Paragraph 14 (a): Export permits issued hereunder shall not be transferable, and the Minister, or any person authorized by him to issue permits on his behalf, may refuse to issue a permit to any person or may cancel or suspend any permit issued.

(b) Any goods exported contrary to the provisions of this Order may be seized and forfeited, and every person who violates any of the provisions of this Order shall be guilty of an offence and shall be liable on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding twelve months or to both such fine and such imprisonment; but such person may, at the election of the Attorney General of Canada or the Attorney General of the province, be prosecuted upon indictment and, if convicted, shall be liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding five years or to both such fine and such imprisonment.

(c) Without prejudice to the operation of section sixty-nine or section seventy-two of the Criminal Code, any person who attempts to commit or does any act preparatory to the commission of an offence against any of the provisions of this Order shall be deemed to be guilty of an offence against that provision.

REGULATIONS AMENDED

By Export Permit Branch Order Number 59, effective January 25, 1943, cigarette papers will require an export permit from the Export Permit Branch of the Department of Trade and Commerce, Ottawa, before being shipped to any destination.

Previously cigarette papers, along with a number of other items included under the general heading "paper other than waste, paper boards, fibre boards, paper and board manufactures" were exempt from requiring an export permit when shipped to any part of the British Empire. Branch Order Number 59 cancels this exemption so far as cigarette papers are concerned but does not affect other paper items included under the above general heading.

ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 539, effective January 28, 1943, the following are added to the list of commodities requiring an export permit before being shipped from Canada to any destination: potato starch, included in Group 1 (Agricultural and Vegetable Products); boots, shoes and slippers, and manufactures of leather n.o.p., included in Group 2 (Animals and Animal Products); bags (physicians', tool, duffle and sports), musical instrument cases, and luggage of all kinds n.o.p., included in Group 9 (Miscellaneous).

TARIFF CHANGES AND TRADE REGULATIONS

Australia

ADDITIONAL ARTICLES UNDER FLEXIBLE LICENSING ADMINISTRATION

A bulletin issued by the Australian Customs Representative in New York on January 19 states that the licensing period for goods imported into Australia from non-sterling countries (which includes Canada) has been extended to six months. Heretofore non-sterling licensing periods have been of three months' duration, and that period still prevails as regards the licensing of goods from sterling countries.

A number of changes in the licensing schedule for imports from non-sterling countries became effective on January 4, 1943. The following articles, now placed under "Administration", i.e., each application for import licence is considered on its merits by the Division of Import Procurement, were formerly admissible by licence up to specified percentages of such importations in the base year ended June 30, 1939:—

All replacement parts for agricultural implements (100 per cent), mica (100 per cent), manganese ore (100 per cent), staves (100 per cent), methyl alcohol (100 per cent), cleaning waste (100 per cent), abrasive cloths (100 per cent), glass lenses and blanks (100 per cent), unexposed cinema film (100 per cent), black China bristles (100 per cent), valves for wireless receivers (25 per cent), other electrical valves and parts (100 per cent), certain dry colours (90 per cent), last blocks (90 per cent), thermostats (90 per cent), undressed timber and logs for specified uses (90 per cent), dynamos and generators for bicycle lighting sets (75 per cent), chicle gum for chewing gum or confectionery (50 per cent), chicle for other purposes (75 per cent), porcelainware for electrical purposes other than insulators (50 per cent), certain telephone apparatus (50 per cent), certain measuring and recording instruments (50 per cent), certain vacuum tubes (50 per cent), fluorescent lamps (25 per cent), cigarette tissue paper (25 per cent).

Metal-working machine tools and parts thereof costing more than £150 Australian currency, formerly admissible on certificates issued by the Department of Supply and Development, are now placed under Administration.

The following, formerly subject to licence but not under fixed quota, are now under Administration: chromic acid, balls for cycle bearings, certain parts for the manufacture of aircraft.

Gun barrels, formerly admissible up to 100 per cent of base-year importations, are now placed in the category for which, it is stated, no licences will be issued.

Surface coated paper, formerly in the "no licence" category, is now under Administration.

A number of changes have also been made in the schedule affecting only goods from sterling countries. Some additional articles are placed under Administration and others are listed in the "no licence" category.

Newfoundland

CERTIFICATES OF ESSENTIALITY FOR CERTAIN GOODS

Mr. W. E. Curtis, Priorities Officer of the Newfoundland Government, acting on a request from the Export Permit Branch of the Department of Trade and Commerce, Ottawa, that a Certificate of Essentiality should be obtained from the Newfoundland Government for shipments from Canada of (i) motor vehicles, (ii) motor car accessories over \$100 in value, (iii) steel products over \$100 in value or on request, (iv) all rubber products, (v) canned goods, issued a public notice as follows:—

Application for a Certificate of Essentiality must be made to the Priorities Committee, P.O. Box 908, St. John's, on prescribed forms which are now available at that address. The forms are in quadruplicate and must be submitted in quadruplicate. If the application is approved, two copies will be returned to the applicant. One copy (the signed certificate) should be forwarded to the Canadian supplier with instructions to attach it to the application for an Export Permit. The second copy is to be retained by the applicant for record purposes.

The list of commodities for which Certificates of Essentiality are required may be added to from time to time, and notice to this effect will be made through the press as and when necessary.

The issue of a Certificate of Essentiality is not to be regarded as an undertaking that an export permit will be automatically granted, but failure to supply a Certificate for the commodities referred to will mean that Canadian exporters may not receive the same favourable consideration of their export permit applications as those Canadian exporters who are able to supply the necessary certificate.

The application for the Certificate of Essentiality for order of these goods placed in Canada calls for the names and addresses of importer and supplier; order number and its date; description of goods; their value; when delivery is required; stocks on hand at date of the application; estimated period which the order is intended to cover; specific details as to use and essentiality. The applicant must state whether the goods or any portions of them are required to fulfil contracts for the Newfoundland Government or for Naval, Military or Air Force units in Newfoundland and, if so, the contract numbers and quantities should be quoted, and it must be stated also whether any of the goods will be shipped direct to a bonded warehouse.

The application, if approved, is signed by the Priorities Officer of the Newfoundland Government, certifying to that effect and that the supply of the material is essential for the reasons stated.

Ceylon

REDUCTION OF DUTY ON TIMBER FOR BOXES OR CHESTS

A Ceylon Customs Notification (Tariff), No. 42/7, of November 26, 1942, reduces the British preferential tariff on "timber which is shown to the satisfaction of the Principal Collector of Customs to have been imported for the manufacture of boxes or chests for packing Ceylon produce" from 15 per cent to 5 per cent ad valorem. This rate applies to imports from Canada and other Empire countries. The general tariff on the same products is reduced from 25 per cent to 15 per cent ad valorem. The import duty on boxes for packing Ceylon products and on chests for packing Ceylon products other than tea, including shooks and fittings for these boxes and chests, remains at 5 per cent ad valorem, regardless of the country of origin.

Palestine

STATUS OF UNUSED IMPORT LICENCES

With reference to the notice published in *Commercial Intelligence Journal* No. 2033 (January 16, 1943), page 58, concerning the necessity of import licences for goods entering Palestine, the *Board of Trade Journal*, London, of December 19, 1942, announces that all import licences granted before November 1, 1941, are revoked unless the goods had been exported from the country of origin before November 1, 1942. Holders of such licences may apply through competent authorities for new licences authorizing importation of similar goods, but no guarantee is given that such licences will be granted.

Chile

RESTRICTION ON IMPORTS OF BEANS

Mr. M. J. Veehler, Canadian Trade Commissioner at Santiago, writes that, under a Chilean decree of December 17, 1942, the import for consumption of ordinary beans and of certain other varieties of beans of the species *Phaseolus*, *Vigna* and *Dólichos* is prohibited, except through the port of Magallanes, on account of the danger of introducing the disease ordinarily known as "Marchitez bacteriana", which does not exist in Chile. Reshipment to other parts of the country of such beans imported through Magallanes is also prohibited. The importation of the foregoing beans for seed purposes in quantities not greater than five kilograms per year for each species and variety may be authorized, but only on condition that the interested party agrees to fulfil the sanitary requirements fixed by the Chilean Department of Agriculture for each case. Applications for authorization to import seed must be accompanied by certificates of health and of origin issued by competent authorities in the country in which the seed originates.

EXCHANGE CONDITIONS IN BRAZIL

MAURICE BÉLANGER, ASSISTANT COMMERCIAL ATTACHÉ

Rio de Janeiro, January 8, 1943.—Exchange for import transactions is still obtainable in Brazil without delay. There is less difficulty than formerly in obtaining authorization to issue letters of credit payable to foreign shippers before receipt of the goods in Brazil, but this procedure still requires special authorization from the Bank of Brazil.

Exchange is also being made available in increasing amounts for the payment of certain classes of financial obligations, such as dividends, interest on loans, etc.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JAN. 25, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, January 25, 1943, and for the week ending Monday, January 18, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 18	Nominal Quotations in Montreal Week ending Jan. 25	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2614	.2614	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0571	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5853	.5861	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, Director

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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STANDARDIZED LABELLING OF CANNED GOODS IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, January 28, 1943.—Coincident with the setting of dollar-and-cents maximum prices for canned grapefruit juice at the packers' level, the Office of Price Administration has announced plans for putting into effect standardized grade labelling for packed fruits and vegetables. The new Maximum Price Regulation No. 306, effective January 28, brings into force for the first time the scheme announced some time ago by the Office of Price Administration.

Almost the entire 1943 pack of fruits and vegetables will come under the regulation, each fruit or vegetable being added as its packing season comes along. Specific maximum prices at wholesale and retail levels will be determined for most of them by means of fixed mark-up regulations.

The Office of Price Administration has pointed out that standard grade labelling will tie price in close relationship with quality. Taken into consideration with quantity rationing, the new scheme is described as one of the most important steps so far taken for the protection of the wartime consumer.

The grades established under the regulation are those already defined by the United States Department of Agriculture. In the case of canned grapefruit juice, which has just been covered, for example, the grades are U.S. Grade A (or fancy), U.S. Grade C (or standard), and off-grade (or substandard). There is no Grade B (choice or extra standard) rating for grapefruit juice. Every can must be labelled with the grade before it is delivered to a retail store, an institution, an industrial or commercial user, or any ultimate consumer. The provision as it now stands does not apply to products sold to any United States.

agency, although subsequent amendments, as other products are included, may very likely be made to cover deliveries to government agencies. In most cases the labelling will be done by the packer, but he may ship the product unlabelled in bulk where such delivery is in accord with trade practices. The intermediate purchaser, in labelling, must designate the grade.

While the grades are set by the Government, the words "United States" or the letters "U.S." cannot be used unless the entire packing process has been carried on under the continuous inspection of the Department of Agriculture. Furthermore these grades may not be used on any can containing packed fruits or vegetables below the designated grade. The regulation also requires that the grade be printed on the label of the container in type at least as large as that used in the declaration of net contents. This applies to all goods not already labelled before the regulation became effective.

POSSIBLE EFFECT ON CANADIAN SHIPMENTS

In commenting on the bearing the new grade labelling regulations might have on Canadian canned goods, local officials of the Office of Price Administration take the view that, as far as the initial order is concerned, Canadian shipments to the United States for civilian use were not considered. While the underlying principle of grade labelling is included in this Maximum Price Order for grapefruit juice, it is anticipated that as other items are added from time to time the labelling regulations will be amended and amplified. It is pointed out, for example, that, as there is no Grade B established for grapefruit juice, this will have to be covered as soon as price ceilings are fixed for a product having this grade. It just so happened that grapefruit juice was the first pack of the season to be dealt with under the new regulations.

It is expected that the first groups of canned goods to be covered by the proposed specific Maximum Price Orders will be early southern fruits and vegetables. If, later on, items are added that might also be imported from Canada, it may be expected that consideration will then be given Canadian products and the manner in which they may, if necessary, be brought into line with domestic requirements as to labelling.

The present regulations deal only with canned fruits and vegetables, including their juices, and do not cover such other items as canned fish or meat.

TRADE OF JAMAICA IN 1941

F. W. FRASER, CANADIAN TRADE COMMISSIONER

II

NOTES ON IMPORTED COMMODITIES OF INTEREST TO CANADA—*Con.*

MANUFACTURED ARTICLES

Apparel.—Imports into Jamaica of wearing apparel of all kinds declined sharply in value from £171,899 in 1940 to £112,592 in 1941, of which Canada's share was £40,884 as compared with £53,489 in 1940. Items separately classified and included in the above total were: gloves, £111; handkerchiefs, £3,385; hats, caps and bonnets, of felt (£4,204), of straw (£4,712) and of other materials (£3,014), hosiery of cotton (£12,297), of artificial silk (£11,220), of silk (£2,473), of wool (£684) and of other materials (£6,217); all other articles of apparel (except boots, shoes and slippers), £64,274. Of the foregoing, imports from Canada consisted of: gloves (£13), hosiery of cotton (£2,510), of artificial silk (£5,516), of silk (£2,432), of wool (£41) and of other materials (£952); all other articles of apparel, £29,408.

Artificial Silk Piece-goods.—Total imports amounted to 2,099,564 yards (£97,914) as against 2,484,151 yards (£95,432) in 1940. The United Kingdom was the chief supplier in both years, Canada's share amounting to only 8,465 yards (£587) in 1941 as against 210,101 yards (£11,280) in 1940. The decline in imports from Canada was the result of import licensing restrictions designed to direct this trade to the United Kingdom.

Boots, Shoes, Pumps and Slippers: (a) of Leather.—Total imports were 29,049 dozen pairs (£119,909) as compared with 47,420 dozen pairs (£164,579) in 1940. The 1941 imports showed a sharp drop not only as compared with the figure for the previous year but also with the five-year average 1936-40, which was 51,002 dozen pairs (£157,520). This decline is attributable to restrictions imposed on imports by the control authorities as well as to a shortage of shipping space, but increased domestic manufacturing was also a factor. No figures of production are available, but it is known to be considerable and is reflected in higher imports of dressed and undressed leather as well as of tanning materials. There has also been a corresponding increase in the local production of sole leather, and some upper leathers of fair quality are being manufactured. It is noteworthy that, whereas in 1938 a total of 12,450 cattle hides was exported as against 12,103 in 1939, only 4,014 were shipped in 1941, indicating that increased use was being made of this commodity locally. Exports of goatskins, however, in 1941 showed some increase over those of the previous year, 241,204 having been shipped as compared with 195,688 in 1940. Canada's shipments of leather shoes were largely confined to women's and children's, and amounted to 9,948 dozen pairs (£43,951) as compared with 18,305 dozen pairs (£71,923) in 1940.

(b) of Rubber, or of which the Chief Value is Rubber.—Total imports amounted to 102,706 dozen pairs (£89,349) as against 83,267 dozen pairs (£59,033) in 1940; the five-year average 1936-40 was 96,265 dozen pairs (£61,225). India and Hongkong have held the bulk of this trade for several years.

Brooms and Brushes: (a) Household.—Total imports were 43,603 units (£2,799) as against 36,272 (£2,203) in 1940. Canada's share was 21,583 (£1,549) as compared with 8,429 (£667) in the previous year, the United Kingdom supplying the remainder in both years.

(b) Toilet.—Imports totalled 214,913 units (£6,855) as against 141,747 (£2,998) in 1940. Of the 1941 total, Canada supplied 180,291 (£5,752) as compared with only 35,595 (£1,512) in the previous year. Japan was the largest supplier in 1940.

(c) Artisans'.—Total imports amounted to 29,517 units (£1,816) as compared with 32,859 (£1,414) in 1940. Canada's share was 24,620 (£1,466) as against 18,754 (£846) in 1940. The remainder came from the United Kingdom.

(d) Other Kinds.—Total imports were 18,647 units (£1,468) as against 20,200 (£1,181) in 1940. The bulk of this business went to the United Kingdom in both years, Canada's share in 1941 being 7,397 (£793) as compared with 3,055 (£156) in 1940.

Buckets, Pails and Tubs, of Metal.—Total imports amounted to 26,453 units (£2,785) as against 26,713 (£2,974) in 1940, about evenly divided in both years between Canada and the United Kingdom.

Candles.—Imports totalled 65,727 pounds (£2,261) as compared with 43,716 pounds (£1,844) in 1940. In 1940 Canada shipped 13,633 pounds (£739) but only 6,950 pounds (£430) in 1941. The United Kingdom has for many years held the bulk of this trade.

Carriages, Transport Equipment, Parts and Accessories.—In 1941 Jamaica imported 378 motor-cars, 117 motor-trucks, 8 motorcycles and 3,883 bicycles.

There was little change as compared with the immediately preceding year, but when a comparison is made with 1938, the last full pre-war year, the effects of the war become apparent. The 1938 imports included 1,012 motor-cars, 424 motor-trucks, 27 motorcycles and 4,949 bicycles. Imports of tires for motor-cars dropped from 21,080 in 1940 to 19,477 in 1941, while imports of tubes increased from 11,367 to 12,029. Motor-truck tires increased in number from 8,557 to 11,050, and tubes from 4,300 to 6,337. Bicycle tires and tubes dropped from 95,906 to 83,366. Canada was the principal supplier of all these except tires and tubes for bicycles, which came from the United Kingdom. Other parts and accessories for motor-cars and trucks increased in value from £50,305 in 1940 to £59,299 in 1941. Canada's shipments were valued at £23,093 in 1941 as against £16,387 in 1940.

Portland Cement.—Total imports amounted to 151,349 barrels of 375 pounds (£101,578) as compared with 186,851 barrels (£106,195) in 1941. The United Kingdom was the main shipper during both years, Canada's share being 42,475 barrels and 42,885 barrels in 1941 and 1940 respectively.

Chemicals: (a) *Calcium Carbide.*—Imports totalled 78,425 pounds (£901) as against 78,487 in 1940. Canada has held the bulk of this business for many years.

(b) *Disinfectants.*—Total imports were valued at £5,110, supplied largely by the United Kingdom. Canada's share was £481 as compared with £163 in 1940 when imports totalled £3,199.

(c) *Insecticides, Vermin Killers and Fungicides.*—Total imports were valued at £20,698 as against £96,561 in 1940. Canada's shipments were valued at £3,042 and £1,109 in the respective years.

(d) *Tanning and Dyeing Material.*—Total value of imports was £5,624 as against £5,076 in 1940, the United States being the chief supplier in both years. Canada's share was negligible.

(e) *Other Kinds.*—The value of total imports was £67,781 as compared with £53,089 in 1940. Canada participated to the extent of £4,318 and £1,621 in the respective years.

Chinaware, Porcelain, Pottery, Earthenware and Clay Manufactures.—Total imports were valued at £18,594, of which Canada's share was £3,611 as against £2,872 out of a total of £21,497 in 1940. Canada had no share in this trade prior to 1940.

Cordage: (a) *String and Twine.*—Total imports were 122,298 pounds (£8,704) as against 106,217 pounds (£7,265) in 1940. Canada was the largest shipper with 67,884 pounds (£5,100). A substantial portion of the imports consisted of seine twine for making fishing nets.

(b) *Other Kinds, of Hemp.*—Total imports were 87,457 pounds (£2,816) as compared with 59,371 pounds (£1,716) in 1940. Canada increased her shipments from 21,345 pounds (£587) in 1940 to 63,839 pounds (£2,134). A good grade of rope suitable for other than marine purposes is made in Jamaica in substantial quantities, and fair quantities are also brought in from the neighbouring dependency of Cayman.

Cotton Manufactures (not elsewhere specified): (a) *Piece-goods.*—Imports totalled 23,347,658 yards (£531,626), of which 14,898,274 yards (£356,365) came from the United Kingdom and 8,032,973 yards (£163,814) from India. Canada's share was small, amounting to only 14,047 yards (£796). The previous year's imports totalled 16,585,938 yards (£344,952), of which 10,901,422 yards (£237,427) came from the United Kingdom, 3,968,181 yards (£68,661) from the United States, and the remainder from Hongkong, India, Canada, Brazil, China and Japan in the order named. Canada's share in that year was 171,758 yards

(£5,642). The reduction in 1941 is due to the policy of import control, which is designed to prevent the transference of business from sterling sources to dollar countries in lines of merchandise still available from the former and not previously supplied by the latter.

(b) *Thread*.—Total imports were valued at £48,421 as against £29,146 in 1940. The United Kingdom was the chief source of supply, Canada's share being negligible.

(c) *Yarn*.—Total imports were valued at £6,016 as against £669 in 1940. Canada's share increased from £70 in 1940 to £3,370. The increase in imports was due to heavier demands for local production of cotton underwear and knitted shirts.

(d) *Other Kinds*.—Total value of imports was £27,984 in 1941 as compared with £48,967 in 1940. Canada's shipments were valued at £7,155 as against £9,948 in the previous year.

Cutlery.—Total imports were valued at £10,012, of which Canada is credited with £6,143, the United Kingdom with £3,352 and the United States with £515. In the previous year imports were valued at £5,543, of which £2,152 is credited to the United Kingdom, £1,564 to Canada, £1,194 to the United States and £542 to Japan.

Electrical Apparatus: (a) *Articles for Generating Electricity*.—Total value of imports was £64,010, of which Canada's share was £27,081, that of the United States, £33,794; and of the United Kingdom, £3,135. There was a substantial increase over the previous year, when the value was £27,120, Canada being credited with £7,129, the United Kingdom with £7,968 and the United States with £10,989.

(b) *Radio and Wireless, Complete Sets*.—The total value of imports was £12,049 as against £11,878 in 1940. Of the 1941 value the United Kingdom's share was £8,038 and that of Canada, £3,470. In the previous year the supplying countries were: the United States (£5,370), Holland (£2,899), Canada (£1,575), and the United Kingdom (£1,360).

(c) *Telegraph and Telephones*.—Imports totalled £31,646 in value as compared with £34,391 in 1940. Canada was credited with £4,237 and £5,223 in the respective years.

(d) *Other Kinds*.—Total value of imports was £52,700 in 1941 as against £43,811 in 1940. Canada accounted for £26,652 and £8,163 respectively in these years.

Fertilizers, Mineral and Chemical.—Total imports amounted to 8,049 tons (£83,837). This was a considerable decline from the previous year's imports of 19,164 tons (£112,525). Chile was the main supplier. Canada shipped 1,105 tons of mixed fertilizers valued at £15,144 as against 1,018 tons (£13,591) in 1940.

Glass and Glassware.—The value of imports of all kinds of glassware including bottles, vials and jars, mirrors, shelves and table tops, illuminating, plate and sheet, and table, toilet, ornamental and stationery, etc., totalled £63,544 as against £42,720 in 1940. Canada's shipments were valued at £8,933 as compared with £2,499 in 1940 and consisted primarily of bottles, vials and jars in both years. In 1938 Canada's share amounted to only £171.

Haberdashery and Millinery.—Total imports were valued at £25,899 as against £16,427 in 1940. Canada's share increased from £3,304 to £14,038.

Hardware: (a) *Metal Furniture*.—Total imports were valued at £31,821 as compared with £38,490 in 1940, of which Canada supplied to a value of £25,364 as against £16,107 in the preceding year.

(b) *Other Kinds*.—Total imports were valued at £111,800 as against £136,964 in 1940. Supplying countries in 1941 were: the United Kingdom (£52,151),

Canada (£38,355), and the United States (£21,117); in the previous year they were the United Kingdom (£73,870), Canada (£30,717), and the United States (£27,241). Goods in this category are made up of hollow-ware, lamps, lanterns, locks, hinges, stoves, scales, etc., and such other articles as are not included under the several headings of metal, machinery or tools.

Implements and Tools: (a) *Agricultural*.—Total imports were valued at £31,607, of which the United Kingdom is credited with £22,639, Canada with £3,776, and the United States with £5,188. The previous year's imports were valued at £33,612, and the supplying countries were the United Kingdom (£19,010), Canada (£1,847), and the United States (£12,230).

(b) *Artisans'*.—Total imports were valued at £31,894, of which Canada shipped to a value of £13,925; the United States, £13,545; and the United Kingdom, £4,199. In 1940 the total value was £22,089, of which £8,205 was credited to Canada, £8,222 to the United States, and £5,616 to the United Kingdom.

Instruments, Scientific and Surgical.—Imports of the former kind, were valued at £4,630, of which the United States accounted for £1,950, the United Kingdom for £1,417 and Canada for £1,218. The import value of surgical instruments totalled £1,679, of which £1,042 was credited to the United Kingdom and the remainder almost entirely to the United States. In view of the forward policy in public health and education which it has been decided to carry out in Jamaica on the advice of the West India Royal Commission, requirements of these articles will likely increase in the future.

Jewellery.—There is a small but steady trade, in which imitation articles predominate. Before the war Germany and Japan were suppliers of considerable importance. Imports in 1941 totalled £1,018: India, £388; United Kingdom, £330; Canada, £254.

Leather.—Imports of dressed and undressed leather (not separately classified) totalled £4,245 in value: United Kingdom, £2,747; Canada, £1,327. Upper leather and uppers were the chief items, principally in kid, box calf and willow calf, the colours being black, brown and tan. Imports of sole leather were small, as this type is locally tanned in considerable quantity. Upper leather and uppers are also made in Jamaica. A report on the Jamaican industry, which has expanded considerably on account of wartime conditions, was published in *Commercial Intelligence Journal* No. 1971, November 8, 1941. There are some small shoe factories in the Colony.

Leather Manufactures.—The value of these imports, including all kinds of genuine leather goods except bags, boots and shoes and saddlery, totalled £1,760: United Kingdom, £1,270; Canada, £323; United States, £88. Machine belting and belts for personal use come within this classification.

Artificial leather and its manufactures, comprising a fair range of articles such as spectacle cases and leatherette for bookbinding, were imported to a total value of £1,506: United Kingdom, £554; United States, £487; Canada, £446.

Linen Manufactures.—Total imports were valued at £5,169: United Kingdom, £4,702; Canada, £459. Sheets and pillow-slips were large items; garments are not included, being classified under apparel.

Machinery, Agricultural: (a) *Drainage and Irrigation*.—Total imports of this item were valued at £10,676: United States, £6,808; United Kingdom, £3,569; Canada, £299. Apparatus for Artesian wells was of considerable importance, since in recent years an increasing number of these wells have been drilled to develop agricultural land.

(b) *Stills*.—Imports totalled £1,137 in value: United Kingdom, £806; Czechoslovakia, £201; United States, £130.

(c) *Sugar Machinery*.—The total value of imports was £40,843: United Kingdom, £28,329; United States, £11,474; Canada, £811. These consisted

mostly of replacement parts for the Jamaican sugar factories and of small, animal-driven cane mills for use by the peasantry. The "Chattanooga" brand, made in the United States, has been on the market for many years. The sugar industry has notably expanded during the past two decades.

(d) *Field Machinery*.—Total imports were valued at £15,154, of which the United States is credited with £13,060, the United Kingdom with £1,860 and Canada with £234. They comprised ploughs, harrows, seeders, potato-planters and other mechanically operated farm equipment; about £3,000 worth of spraying apparatus was supplied from the United States for use in checking banana disease. This is the first time that field machinery has been shown in the Jamaican customs returns.

(e) *Other Kinds of Agricultural Machinery*.—Total imports were valued at £33,322: United States, £15,379; United Kingdom, £11,678; Canada, £5,952. Coffee mills and parts, coffee pulpers and winnowers, chaff cutters, and apparatus for pulping citrus fruit and extracting citrus oil are among the items included in this category.

Industrial Machinery and Parts: (a) *Printing*.—Total imports had a value of £4,640: United Kingdom, £3,915; United States, £421; Canada, £304.

(b) *Sewing-machines*.—Imports totalled 919 units (£7,266): Canada, 841 (£5,790); United States, 66 (£1,285); this number is only a small fraction of that for 1938. For some time before the outbreak of war Germany had a large share of the trade, being second to Canada in respect of value in 1938.

Imports of sewing-machine parts totalled £1,040 in value; almost evenly divided among the United States, the United Kingdom and Canada.

(c) *Shoemaking Machinery*.—Total value of imports was £631, mostly from the United States.

(d) *Other Kinds of Industrial Machinery*.—The value of imports totalled £13,431: United States, £10,177; Canada, £1,496; United Kingdom, £1,247. The total for 1940 was £7,275; for 1939, £19,110; and for 1938, £6,777. In these years there were also imports of "industrial and manufacturing machinery for electric lighting and power" totalling respectively £304, £3,115 and £5,293; the United Kingdom and the United States were the chief suppliers. No such imports are recorded for 1941.

NEW ZEALAND TIMBER INDUSTRY

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, December 18, 1942. According to the Annual Report of the New Zealand State Forest Service for the year ended March 31, 1942, recently published, the cut for the year ended March 31, 1941, was 342,000,000 feet board measure as compared with an estimated cut of 340,000,000 feet. The estimated cut for the year ended March 31, 1942, is 310,000,000 feet, the reduction being due to the withdrawal of men from the industry for the armed forces. The outstanding feature of the 1940-41 production was the increase in insignis pine to 53,000,000 feet from 47,000,000 feet in the previous year. The production of rimu at approximately 200,000,000 feet, added to that of insignis pine, represents about 75 per cent of all timber produced.

MANPOWER SITUATION

A survey made in 1941 showed that the working complement of the industry in October of that year was about 86 per cent of normal, owing to the loss of many hands to the armed forces. In January, 1942, sawmilling (including government operations), cutting of logs, the manufacture of wooden boxes, containers, etc. were declared essential industries, thereby ensuring an adequate supply of labour.

DOMESTIC MARKET

The demand for building timbers throughout 1941-42 exceeded the available supply, resulting in serious depletion of stocks held in merchants' and mill yards. Until the entry of Japan into the war, supplies of the higher grades were reserved for the building trade. Since then, however, the whole production has been taken over for essential defence works. The number of permits for domestic construction for the year ended March, 1942, was only 4,565 as compared with 6,011 for the previous year.

IMPORTS AND EXPORTS

According to the customs returns, the total importation of timber reached 22,000,000 feet board measure for the calendar year 1941 as against 15,000,000 feet in 1940. Imports of Australian hardwoods alone rose from about 12,000,000 feet to about 18,000,000 feet, all of which, it is reported, were classed as essential. Imports of Douglas fir increased from 1,820,000 feet to 2,121,000 feet.

Exports of timber during 1941 totalled 16,700,000 feet as compared with 17,400,000 feet for the previous year. There were increased shipments of white pine, rimu, and other timbers, but, owing to heavy domestic demands, decreases were shown in exports of beech, matai, kauri and insignis pine.

Details of the import trade in timber are shown in the following table:—

New Zealand Imports of Timber

	1940	1941	Jan.-Aug., 1942
	Feet Board Measure		
Hardwoods—			
Australian hardwoods.. . . .	10,782,000	17,020,000	3,440,000
Oak.. . . .	1,195,000	890,000	.....
Total.. . . .	11,977,000	17,910,000	3,440,000
Softwoods—			
Douglas fir.. . . .	1,820,000	2,121,000	210,600
Redwood.. . . .	961,000	1,528,000	.....
Total.. . . .	2,781,000	3,649,000	210,600
Other.. . . .	271,000	255,000	466,200
Grand total.. . . .	15,029,000	21,814,000	4,116,800

Figures of imports under the heading "other" included supplies from Canada in 1941 totalling 41,221 feet of cedar as against nil in 1940 and 1,585 feet of other softwoods (largely spruce) as against 46,307 feet. In the period January-August, 1942, imports of cedar from Canada amounted to 34,228 feet and those of other softwoods totalled 246,059 feet.

As far as is practicable, it is the policy of New Zealand and Australia to meet each other's requirements in essential timbers not produced in their own territories. Licences to import from other sources are granted only in accordance with New Zealand's minimum essential needs.

TIMBER CONTROL

The measures of control over the use of Douglas fir and redwood, reported in *Commercial Intelligence Journal* No. 1979 (January 3, 1942), are still in effect. An additional regulation prohibits the cutting of 6-inch by 6-inch or larger Douglas fir timber except under permit. This was necessary to conserve stocks of timbers of large dimensions for structural purposes.

TIMBER PRODUCTS

In addition to the Whakatane Paper Mills Ltd., which are producing chip-board and cardboard at the rate of some 12,000 tons per annum, a new plywood factory operated by New Zealand Plywoods Ltd., and an insulation-board mill built by New Zealand Forest Products Ltd., both at Auckland, are now relieving the acute shortage of these products resulting from prohibited and reduced imports.

AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Power Alcohol Production in Australia

Sydney, December 26, 1942.—Commonwealth production of power alcohol will shortly reach approximately 19,000,000 gallons annually, sugar, tar and molasses being used as raw materials. In addition, wineries are potential sources annually of 5,000,000 gallons of 94 per cent power alcohol.

The Department of Supply and Development recently stated that 7,500,000 gallons were produced annually from sugar, and that 9,000,000 gallons would be provided by steel and gas works through the use of tar. Steel works would produce 5,000,000 gallons, and gas works 4,000,000, while 2,500,000 gallons were being produced from molasses in New South Wales and Victoria. It is expected that an additional 12,000,000 gallons will be produced annually from wheat, but plans for this development have not yet been fully completed.

Profits Tax Rebate

The Commonwealth Treasurer has announced that business profits for the financial year 1942-43 will be subject to a rebate of 20 per cent of the profits in excess of 4 per cent after actual taxation is paid. The Treasurer explained, however, that it has not been determined whether this rebate will be retained by the taxpayer and made available for distribution as dividends or whether it will be required to be held in some specified form, such as bonds, for the duration of the war.

Pooling of Petroleum Products in Australia

The Commonwealth Government has announced the formation of a company to be known as Pool Petroleum Pty. Ltd., following discussions with oil companies operating in the Commonwealth. The chairman of the Petroleum Committee, stated that all importers distributing motor spirit and kindred petroleum products in Australia would be represented in the new organization.

These companies unanimously decided to co-operate by sacrificing their individual marketing interests and brand names for the duration of the war in order to assist in meeting defence requirements and to comply with government policy in relation to rationalization of transport and economy of manpower. Each company will, according to its capacity, supply its quota of personnel, depots, vehicles, drums, pumps and other equipment. Motor spirit to be sold by the new company will be known as "pool petrol".

The new organization will sell power and lighting kerosene, distillate Diesel and fuel oil, as well as motor spirit, under "pool" brand as a single marketing unit on behalf of all members.

Products not affected by the pooling arrangements include aviation spirit, lubricating oils, Diesel and fuel oils for delivery as bunker fuel to ocean-going vessels, mineral turpentine, and similar specialized lines.

Control of Shale Oil

Special powers to control shale oil and substitute fuels have been announced by the Government under national security regulations. Through the Commonwealth Liquid Fuel Control Board, the use of substitute fuels for which ration tickets are not required will be fully regulated.

It has been fully explained that the announcement of the new regulations did not mean that ration coupons would be required for the purchase of this fuel, which is classified under the general headings of rectified spirit and shale

oil. The board would have full power to direct to whom, in what quantities, and for what purpose, this fuel could be supplied.

Distillates from shale or coal and the rectified spirits now being marketed without the surrender of ration tickets are covered by the amended regulations.

Similarly control of the sale of producer-gas units has also been extended, and such units can now be sold only to holders of permits issued by the liquid-fuel authorities.

In connection with petrol rationing by coupons, it is now compulsory for motorists to use motor spirit for the purpose stated on their licences. This is designed to prevent the transfer of coupons from one motorist to another, which was permitted in the early days of rationing. Holders of consumers' licences are required under this provision to notify the authorities immediately of changes of address, employment, or occupation.

Control of New Production

Regulations will shortly be gazetted by the Commonwealth Government that will require any company or person wishing to establish a manufacturing business or to undertake new lines of production to obtain a permit from the Department of War Organization of Industry. The Department states that, as new production directly impinges upon the available resources of manpower, materials and machinery, strict control will in future be exercised to ensure that any permitted new industry must be of a type contributing to the nation's war effort.

Export Restriction to Save Shipping Space

The Minister of Customs has prohibited the exportation by post of goods exceeding 50 pounds gross weight by any one exporter in any one calendar month, except by special consent of the Minister.

Non-commercial transactions, however, including the despatch of gifts by individuals to friends and relatives abroad and commercial transactions that are normally judged by peacetime standards, will be free from the provisions of the proclamation.

PRODUCTION OF ELECTRIC BATTERIES IN IRELAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Dublin, January 23, 1943.—The industrial development of Ireland is apparent from the great variety of small manufacturing enterprises that have begun operations in recent years. This trend, encouraged by leading economists, cannot fail to exercise an all-round beneficial effect on the country. It is broadening the outlook of the people, increasing the number of skilled labourers and expanding the field for scientific research.

The production in Ireland of both wet and dry batteries, which began about 1934, is one of many such undertakings the activities of which have been a factor in bringing about these results.

WET BATTERIES

Except for special purposes, such as use in heavy house-lighting equipment, where the demand is not sufficient to justify national manufacture, imports of complete wet batteries have been unimportant. The bulk of the production was used in motor vehicles and, in smaller quantity, for farm and hospital-lighting plants, Drumm trains, telegraph stations and domestic radios. Some half-dozen concerns were engaged in this industry, four of which had their main plants in the United Kingdom and obtained most of their requirements in essential materials from there. The other two firms, however, imported a substantial quantity

of their primary products from the United States and Canada. Separators and containers have to be obtained from abroad. Some are purchased in Canada, but an inconsiderable quantity of lead castings and lead plates are now made locally.

The scarcity of raw materials and the increasing difficulty of replenishing fast diminishing stocks is causing great concern to manufacturers. To alleviate this situation, the export of scrap batteries and parts has been prohibited. The main difficulty is lack of shipping space for imports. Another problem, which affects all industries, is the scarcity of fuel. Under a recent order of the British Board of Trade the export of battery parts to this country is restricted to very limited quantities and is permitted only on production of evidence that supplies are urgently required for government departments, railway companies, electric stations, hospitals, and a few other essential undertakings. Practically no stocks of made-up batteries are carried locally, all going into service as soon as they are available.

The annual pre-war requirements in automobile batteries of all types was between 40,000 and 50,000. Although private and other motoring is now only 20 per cent of what it was two years ago, parts and batteries to meet the reduced requirements are difficult to obtain.

TYPES OF BATTERIES PRODUCED

The 6-volt type of battery is in greatest demand in Ireland. It resembles in size and type that generally used in Canada and the United States. Two-volt radio batteries are also produced. Prior to the outbreak of war, wind-charging plants for house-lighting were becoming popular in districts not supplied with electricity, but the present emergency has reduced the demand.

DRY BATTERIES

Two concerns are engaged in the manufacture of dry-cell batteries, one in Dublin and the other in Waterford. In normal times the Dublin plant, which is the larger of the two, turned out more than 250 types of batteries. The bulk of the output was for torches, cycles, radios and telephones. During a recent working year production by this company reached approximately 2,500,000 batteries. Dry cells have a capacity of approximately $1\frac{1}{2}$ volts each and, with these units, batteries of different capacities are built up. At present a 2-cell (3-volt) bicycle-lamp battery is in demand, due to the restriction of private motoring and the resulting increased use of cycles. Next in importance on the basis of sales is the 120- and 144-volt type having ninety-six $1\frac{1}{2}$ -volt cells, the latter type usually including a 9-volt grid bias-battery with intermediate tapings at $1\frac{1}{2}$ -volt intervals to 9 volts. A variety of hand-torch batteries of $1\frac{1}{2}$ to $4\frac{1}{2}$ volts is also in great demand.

RAW MATERIALS

A number of the raw materials used by the Dublin factory are obtained from or through the main plant in Great Britain. Carbon rods, however, have been imported from the United States, while paperboard and several other essential materials have been obtained from Canada. The principal commodities required by this industry are: manganese; graphite; carbon black; carbon rods; sal ammoniac; sheet zinc; muslin; thread; pitch; paper and carboard; brass caps, terminals, etc.; and a starchy compound forming the negative element. When war broke out, an effort was made to find out how many of these items should be obtained in the country, but the result was disappointing. As the supply of these materials from Great Britain is now restricted, the local industry will be dependent in large measure on existing stocks.

IMPORTS

Statistics for the three years ending 1938 (the latest available) covering imports into Ireland of batteries and battery parts are shown in the following table:—

Imports into Ireland of Batteries and Parts

	1936 Cwts.	1937 Cwts.	1938 Cwts.	1936 £	1937 £	1938 £
Accumulators and parts—						
Great Britain...	3,329	3,480	3,841	13,920	14,952	16,977
Germany...	90	4	93	268	30	268
United States...	....	212	210	1	4,688	600
Other countries...	3	46	15	10	509	208
Total...	3,422	3,742	4,159	14,199	20,179	18,053
Dry batteries for wireless use—	No.	No.	No.	£	£	£
Great Britain...	67,717	72,914	59,316	14,908	16,662	10,947
Northern Ireland...	244	287	345	99	128	133
Other countries...	31	25	5	10	12	3
Total...	67,992	73,226	59,666	15,017	16,802	11,083
Dry batteries for other purposes—						
Great Britain...	82,600	45,692	164,660	1,632	1,241	2,234
Germany...	39,732	53,768	25,414	346	485	220
Other countries...	3,185	1,065	14,782	221	111	322
Total...	125,517	100,525	204,856	2,199	1,837	2,776
Parts of dry batteries, brass caps, sockets, and carbon rods—						
Great Britain...	.....	.....	.....	1,784	3,330	5,530
Germany...	.....	.....	.....	1,661	149	650
United States...	.....	.....	.....	.....	17	.....
Total...	.....	.....	.....	3,445	3,496	6,180
Other dry battery parts—						
Great Britain...	.....	.....	.....	774	930	1,471
Other countries...	.....	.....	.....	35	53	107
Total...	.....	.....	.....	809	983	1,578

IMPORT DUTIES

All raw materials and unassembled parts imported for use in the production of batteries of all classes enter Ireland duty free. Imports of wet batteries, completely or partly assembled, for motor cars are dutiable at 33½ per cent ad valorem, applicable to all countries. Wet batteries for use in house lighting and in conjunction with wind-charging plants are not subject to import duty.

Dry batteries, irrespective of class, were dutiable at 50 per cent ad valorem, applicable to imports from all countries, until February 4, 1942, when this restriction was removed entirely to facilitate imports should overseas supplies become available.

TRANSPORT PROBLEMS IN SOUTH AMERICA

From the British Export Gazette

Because of the world-wide shortage of shipping for purely trading purposes, and also the dearth of fuel, it is abundantly clear that the transport problem is now the chief difficulty facing Latin America. Despite the building-up of national merchant fleets—particularly in Argentina and Brazil—as also the intensification of work on the Pan-American Highway and the extension of air-lines, these developments offset to only a comparatively small extent the withdrawal of Allied vessels from the South American trade routes for more urgent war requirements.

The extensive wartime demands of the United Nations for strategic and other essential products from Latin America—which have much increased since the loss of Far Eastern sources of supply—have entailed widespread arrangement for important financial and technical assistance by the United States to her southern neighbours. This is aimed mainly at increasing transport facilities in zones of production. The development of these plans, however, depends largely upon the future shipping situation. Obviously North American ability to supply capital goods to Latin America must be affected by Washington's own great demands upon available materials and manpower as also by the shipping shortage, which again, on the import side, has necessitated a system of import permits in the United States whereby preference is given to those commodities required for war or other essential purposes.

Argentina particularly is feeling the shipping shortage despite the efforts of the State Merchant Fleet. Entries of shipping into Argentine ports during the first nine months of 1942 aggregated only 2,492,895 tons (compared with 3,538,336 in the like period of 1941), British ships still holding first place, with Argentine, Swedish, and United States vessels in second, third and fourth places respectively. Regarding voyages to the United States, it is expected that Argentine vessels may have to make New Orleans their chief destination, as to send ships to Pacific ports of the United States would entail sending goods long distances overland to and from the populous centres in the East of the United States. It is reported that the Argentine State Merchant Fleet has signed an Agreement with the United States for trade between the two countries but the value of this may be negated by the antipathy in the United States towards any country still maintaining diplomatic relations with the Axis countries; rather would it appear that the little assistance which was being rendered Argentina by Allied shipping might have to be even further reduced, particularly because of the urgent need of shipping for the war effort. There remains, of course, the Argentine State Merchant Fleet, which offsets the shortage of space to some extent by giving preference to shipments of high value and low weight and bulk. The vessels of the State Merchant Fleet, however, are virtually limited to the shipping routes of the Americas by the terms of the sales contract of the ex-Axis ships.

Argentina is also feeling acutely the shortage of fuel. The country produces about 60 per cent of her petroleum consumption but, as it does not produce coal on an appreciable scale, the fuel deficit is high since wood and maize can be used as substitutes only in certain cases. Owing to lack of fuel, railway services have been reduced and petrol has been rationed. Moreover, among the many imported goods which are now practically unobtainable are motor-cars and rubber.

The immediate future of Brazil will depend largely upon the ability to accelerate the development of her vast potential resources under present economic collaboration with the United States, but this in turn depends upon the shipping problem. In order to make the best use of available shipping, and at the same time ensure that the more vital import needs obtain preference over those which are least essential, a special control of the import trade has been adopted, under which applications for imports are classified in groups according to Brazil's most urgent requirements. Under the new system of priorities for export adopted by the United States at the end of September last, Brazil was placed in the second category of the United Nations which obtain preference, after Great Britain, Russia, China, and Australia, in the allocation of United States exports.

Brazil's shipping difficulties have resulted in a slowing down of both export and import activity. Nevertheless, in view of the present very close economic ties with the United States, it may be expected that the latter country will do all possible to provide shipping facilities. Now that Brazil is at war with the Axis, convoys can of course be arranged with the help of the United States.

The importance of Brazil's coastal trade can be gathered from the fact that the value of goods shipped coastwise in 1941 was actually 14 per cent larger than that of imports from abroad. The interruption of these services causes difficulties in trade between the various states of the Brazilian Union, since most of them are dependent upon national supplies of foodstuffs, raw materials and manufactured goods.

Plans are also going ahead, with North American assistance, to improve internal transport facilities in Brazil, so as to despatch a larger amount of strategic materials to the coast. Meanwhile, however, the curtailment of imports of petrol, coal and fuel oil has considerably aggravated transport difficulties and has led to stricter rationing of all fuel supplies so that national requirements of more immediate necessity obtain priority over other requirements. The movement of private cars has been entirely prohibited, interior train services have been cut down, and official control established over the distribution of nationally produced coal. Moreover, the restriction of internal transport because of the fuel shortage has had a generally adverse effect on small traders and may also be expected to affect some of the national industries which depend upon imported fuel.

Chile is so dependent upon the United States for her foreign trade that she has everything to gain by ever closer politico-economic co-operation with Washington. National economy is being maintained by large shipments of strategic products, such as copper, nitrate, wool, and frozen meat, and it is therefore to be presumed that the United States authorities will provide as much shipping space as possible. On the other hand, the United States authorities have been obliged to reduce drastically the quota of fuel (especially petrol) and lubricating oil allotted to Chile, and severe rationing measures—such as cutting down of private motoring and transport services—have been adopted to meet the situation in order to ameliorate the effects of the shortage upon essential industries. This will have a far-reaching influence upon the economy of the country, the precise extent of which it is impossible to appreciate at the moment. In Peru, however, although some branches of industry are now encountering problems owing to the lack of supplies from abroad, the country has not yet been seriously affected by the war and foreign trade continues to run at high levels, particularly under agreements to supply the United States with cotton, strategic minerals, etc. Petroleum production has been maintained at satisfactory levels, although the scarcity of Peruvian coastal tankers has resulted in a diminution of supplies normally destined for neighbouring republics. Intensive work proceeds on highways to open up new zones of production.

One of the outstanding results of the loss of European markets and oversea shipping difficulties is the growth of trade between the South American republics themselves, for which local means of transport are being used to their utmost extent. A much closer economic relationship now exists between the majority of the nations of the Western Hemisphere than formerly. As an example, Brazilian textiles now predominate not only in Argentina but in other South American markets. Indeed, because of the increasing difficulties in obtaining goods from overseas during wartime, manufacturing industries in South America have been developed to a degree which has been restricted only by the problems encountered in securing the necessary materials, equipment and technical assistance. The survival of some of these industries after the war may be open to question, but, even if a number of articles formerly imported should continue to be manufactured locally on a large scale, this may lead to inquiries abroad for fresh lines of equipment such as tools, plant and material, as also auxiliary products such as lubricants and chemicals, apart from replacement of outworn plant and spare parts. Moreover, manifest opportunities for post-war trade recovery exist in the accumulating demand for many specialized manufactures

which the highly industrialized countries, such as Britain, are still better able to supply. Despite wartime difficulties, British trading interests must therefore endeavour to maintain the intimate personal connections which have always been a happy tradition in Anglo-South American trade—for example, it may be well worth while paying a retaining fee to an existing good agent, even though there may be little business passing at present, rather than have to seek new agencies when post-war world trade activity is resumed.

CONTROL OF EXPORTS FROM CANADA

ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 132, effective January 26, 1943, an export permit is required for shipment from Canada to any destination of pickerel, whitefish and lake trout, fresh or frozen, filleted or not, included in Group 2 (Animals and Animal Products).

Applications for export permits for the foregoing products from exporters in the provinces of Alberta, Saskatchewan and Manitoba should be sent to C. E. Finlay, Director of Fish, Inland Waters, Power Building, Winnipeg, Manitoba. Applications from exporters in other parts of Canada should be forwarded to the Export Permit Branch, Department of Trade and Commerce, Ottawa.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

INCREASED DUTIES ON TINNED PLATES FURTHER DEFERRED

Deferred duties under Australian customs tariff item No. 147, "iron and steel plates and sheets, plain tinned", that were to have gone into effect on January 1, 1943, have been further deferred until January 1, 1944. Present rates are free of duty under the British preferential tariff and 15 per cent ad valorem under the general tariff. Deferred rates are 76s. per ton (2,240 pounds) under the British preferential tariff and 115s. per ton under the general tariff. The British preferential tariff applies to imports from Canada, and the general tariff to those from all countries outside the British Empire.

TARIFF DECISIONS ON CERTAIN STEEL FOR FURTHER MANUFACTURING

By decisions of the Australian Department of Trade and Customs, published on October 10, but effective as from August 10, 1942, steel bars, plates and sheets, known as substitute high-speed steel, containing molybdenum, tungsten, chrome, and vanadium, the tungsten being not more than 6.5 per cent, for all purposes, are admissible by by-law under Tariff Item 404, "materials and minor articles of a class or kind not commercially manufactured in Australia, for use in the manufacture of goods within the Commonwealth". Such goods are free of duty under the British preferential tariff (applicable to Canada) and subject to duty at 15 per cent ad valorem under the general tariff (applicable to all non-British countries).

Steel wire, hardened and tempered, for use as bristles in the manufacture of brushware, is also admissible under Item 404 as from June 22, 1942.

Union of South Africa

GIFT SHIPMENTS BY PARCEL POST

With reference to the notice concerning restrictions on parcel post shipments to the Union of South Africa, published in *Commercial Intelligence Journal* No. 2031 (January 2, 1943), page 14, the Post Office Department, Ottawa, issued a notice on January 27 that the concession on gift parcels has been limited to those not exceeding \$10 in value.

The new notice states that a special import licence is required for all importations by parcel post from Canada except bona fide gifts not exceeding \$10 in value and 11 pounds in weight, the present weight limit for parcel post to South Africa. The Post Office Department announces that parcels destined for the Union of South Africa or South West Africa, endorsed "Not for Trade Purposes" should also bear the inscription "Bona fide gift, not exceeding \$10." It is emphasized that such parcels will be confiscated, if the endorsement is discovered to be incorrect and that any parcel exceeding \$10 in value must be covered by a special permit regardless of the fact that it might not be intended for trade purposes and be purely in the nature of a gift.

British Guiana

IMPORT CONTROL REGULATIONS CHANGED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that the Controller of Supplies, British Guiana, has issued the following notices.

January 5: Importers are notified that the quota restrictions against the importation of paint and linseed oil from countries other than the United Kingdom have been removed.

January 6: Notice is given that applications for licences to import drugs and medicinal supplies from Canada will be received for consideration.

DUTY ON IRON AND STEEL PRODUCTS REDUCED

A British Guiana Ordinance of December 30, 1942, reduced the duty on certain iron or steel products by one-half of the former rates. The new rates are:—

	British Preferential Tariff Cents	General Tariff Cents
Hoops and hooping of iron or steel.per cwt.	8	18
Galvanized iron or steel in bars, rods, or sheets, plain or corrugated.per cwt.	25	50
Black iron or steel in bars, rods, sheets or plates, other than boiler plate.per cwt.	15	30
Nails and spikes, other than horseshoe nailsper cwt.	12	24
Bolts, nuts, washers and chains of iron or steel.per cwt.	20	40

The rates quoted are subject to a surtax of 30 per cent of the duty.

REDUCED DUTY ON PICKLED OR SALTED MUTTON

The Ordinance of December 30, 1942, reduced the British preferential tariff on pickled or salted mutton from \$4 to 50 cents per 200 pounds, and the general tariff from \$8 to \$2. These rates are subject to a surtax of 30 per cent of the duty.

Bermuda

TARIFF AMENDMENTS

The Bermuda Customs Tariff Act, passed on December 23, 1942, enacting the duties in force in Bermuda from January 1 to December 31, 1943, contains the following changes in duties:—

	Former Rates		New Rates	
	British Preferential Tariff	General Tariff	British Preferential Tariff	General Tariff
Milk or cream, canned or dried; margarine; agricultural implements; seeds approved by the Board of Agriculture.....ad val.	15%	17½%	Free	Free
Sugar, white refined, per 100 lbs.....	5s.	7s.	Free	Free
Sugar, other kinds, per 100 lbs.....	1s.	3s.	Free	Free
Fish, salted, smoked or pickled.....ad val.	Free	12½%	Free	Free

This Tariff Act also imposed a wartime surtax of 25 per cent of the duty on rum, and 50 per cent of the duty on all other alcoholic beverages.

Jamaica

LABELLING OF MEDICAMENTS

Mr. F. W. Fraser, Canadian Trade Commissioner, at Kingston, reports under date January 18, 1943, that as from January 14, 1943, a slight change became effective in the regulation applicable to the labelling of medicaments imported into the Colony. Prior to that date, goods of this class could not be imported unless the containers bore labels on which the formula or composition was clearly printed in English or French. Spanish has now been added to these languages. Drugs and medicines, therefore, destined for South American markets and bearing labels in Spanish may now be brought into Jamaica.

St. Vincent

DUTY INCREASED ON LEAF TOBACCO

A St. Vincent Ordinance of November 17, 1942, increased the duty on tobacco leaf, other than Black Tiger, Black Lion, Black Beaver and similar brands, from 2 shillings to 5 shillings per pound. There is no lower British preferential rate.

United States

MECHANICALLY GROUND WOOD-PULP IN THIN ROLLS

An abstract of a Customs Decision, T.D. 50799 (3), published in Weekly Treasury Decisions of January 14, 1943, states that certain merchandise described as mechanically ground unbleached wood-pulp in rolls found to be less than 0.012 inch thick and to have a high finish and a fairly good writing and printing surface is dutiable at 30 per cent ad valorem under paragraph 1409 of the Tariff Act of 1930. It is announced that, as this ruling will result in assessment of duty on such and similar merchandise at a rate higher than that formerly assessed, under a uniform practice, the higher rate is to be applied only after 30 days have elapsed from the date of publication of the abstract. Decision 50688 (3) applying this rate to certain merchandise described as sulphite wood-pulp less than 0.012 inch thick was published in *Commercial Intelligence Journal* No. 2013 (August 29, 1942), page 220.

Mexico

CUSTOMS BROKERS' FEES

With reference to the report published in *Commercial Intelligence Journal* No. 2028 (December 12, 1942), page 540, regarding Mexican customs brokers' fees, Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes that, effective January 15, 1943, there has been added to the table of fees leviable

on export goods an item for "textiles and garments made therefrom" on which the fee is 14 pesos for the first 100 tons and 6 pesos for each additional 100 tons.

CANADIAN SHIPPERS EXEMPT FROM ADVANCE CUSTOMS PAYMENT

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes under date January 19, 1943, that exports from Canada to Mexico will not be subject for the time being to the payment of 5 per cent ad valorem which was established by a law of March 6, 1937. Under this law, shippers to Mexico were required to deposit with the Mexican Consul 5 per cent of the value of the goods, which was considered as an advance payment of customs duties and deducted from the amount of duties levied when the goods are imported into Mexico. A decree of December 30, 1939, exempted Canada, Great Britain and some other countries from this payment, and a decree of June 20, 1942, declared that the prepayment would be required only from shippers on the American Continent. Mr. Bissett writes that, until a decision has been reached as to whether or not this last decree makes Canadian shippers subject once more to the payment, Canadian exporters in Canada will be exempt from this requirement.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 1, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 1, 1943, and for the week ending Monday, January 25, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Jan. 25	Nominal Quotations in Montreal Week ending Feb. 1	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2614	.2614	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5861	.5861	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

H. W. BRIGHTON. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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INDEX TO THE "COMMERCIAL INTELLIGENCE JOURNAL"

The Index to the *Commercial Intelligence Journal* for the six months ended December 31, 1942 (Nos. 2005 to 2030 inclusive), is now in the hands of the printer and will be sent out shortly to subscribers. Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference and to preserve them, with the Index, in bound volumes or in some other convenient form. Back numbers of the Index, as well as additional copies, may be had free of charge on application to the Department of Trade and Commerce, Ottawa.

BUSINESS CONDITIONS IN THE UNITED STATES IN 1942

I

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, February 3, 1943.—From an economic standpoint the outstanding features of the year 1942 in the United States were threefold: the conversion of the country's industrial plants from a peacetime to a wartime basis; the creation and development of a great army, navy and air force; and the financing and expenditure of 60 billion dollars for war and federal purposes, with a corresponding increase in the federal funded debt.

The extent of the transition of United States industry from a peacetime to a wartime basis is indicated by an increase of 15 per cent in the Federal Reserve Board's index of industrial production, which moved from 168 in December,

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1941, to 194 in December, 1942, based on the 1935-39 average. Employment, commodity prices, construction, bank clearings, and carloadings all showed substantial increases.

During 1942 many new industrial records were established. The world record for merchant ship construction was broken when United States shipbuilders completed 746 vessels of 8,090,800 dead-weight tons. Metal and mineral production, with a total value exceeding \$7,500,000,000 was greater than ever before. Outstanding gains were recorded in aluminium and magnesium production, while record outputs were attained for iron ore, ferro-alloys, copper and chromite, and other minerals. The aircraft, steel, and automobile industries also established records.

The United States was able to meet the basic tasks of channelling manpower, materials and productive facilities into war industries, providing for civilian needs and diverting goods and services from non-essential civilian consumption to war purposes by the use of priorities, limitation orders and direct allocation. Rationing was introduced on a limited but increasing scale as scarcities of some important consumer goods developed. As a result, about one-third of all the goods and services were diverted to wartime uses.

Of federal expenditures totalling 60 billion dollars, 70 per cent was met from loans and 30 per cent from taxation. The federal funded debt increased from 50 billion to 108 billion dollars.

STEEL INDUSTRY

In 1942, despite material shortages, restrictive measures and specifications that were constantly changed to fit new strategic requirements, the United States steel industry produced more steel than ever before. The steel companies were faced with unprecedented problems during the year as they endeavoured to meet the nation's extensive war demands.

Accomplishments of the industry included an increased capacity of 6,000,000 net tons, conversion and expansion of plants to meet war needs, efficient scheduling of production, substitution and standardization to meet critical shortages of alloys, improved quality of products to meet exacting military requirements, and inter-industry pooling of technical skill.

PRODUCTION

According to the American Iron and Steel Institute, the production of steel in 1942 reached the record-breaking total of 86,092,209 net tons as compared with 82,836,946 tons in 1941. This was a gain of 3,255,261 tons or 3·9 per cent, and was about 70 per cent over the peak output of World War I which was established in 1917 at 50,467,880 tons. The industry operated at 96·6 per cent of capacity as against 97·3 per cent in 1941 and 90·8 per cent in 1917. As a result, United States production is estimated to account for more than 50 per cent of all the steel now being made in the world.

EXPANSION

The nation's steel producing capacity is expected to increase by July 1 from the current 91,000,000 tons to 95,000,000 tons and possibly to 97,000,000 tons in the second half of the year; the rated capacity on July 1, 1942, was 89,200,000 tons. The 95,000,000 tons capacity will represent an expansion of about 15,000,000 tons since the outbreak of war. The increase was achieved principally by expanding and converting present facilities, although a few new steel mills were built. Employment by the industry increased from 503,000 in April, 1940, to a peak of 659,000 in June, 1942, while at the end of the year it was 640,000. Payrolls almost doubled, from \$68,000,000 in April, 1940, to \$125,000,000 in September, 1942.

PIG IRON

Production of pig iron in 1942 established a new record; it amounted to 59,334,745 net tons as compared with 55,100,551 tons in 1941, a gain of 7.3 per cent. Production was about 99.2 per cent of capacity as against 96.6 per cent in the previous year. On January 1, 1943, there were approximately 244 furnaces in blast as against 238 on January 1, 1942.

SCRAP IRON AND STEEL

The lag between actual and rated capacity production of iron and steel is attributed to the scrap iron and steel shortage in this country, which became serious during the summer of 1942. To meet the scrap shortage the industry increased the amount of pig iron used. A nation-wide scrap collection campaign proved most successful.

AIRCRAFT INDUSTRY

An outstanding achievement of United States industrial management has been the expansion of the aircraft industry from the "hand-built" stage of 1938, when sales totalled \$125,000,000, to the mass-production stage of 1942, when the value of its output was over \$4,250,000,000. With more than \$50,000,000,000 appropriated for airplanes in two and one-half years, backlogs lost their former significance as the industry strove to increase deliveries.

While the output did not reach the 1942 goal of 60,000 planes set by the President, it met its own production schedule of 49,000 airplanes of all types during the year. In attaining this objective the industry overcame physical as well as technical difficulties and, if it had been able to obtain enough materials to keep all plants operating at maximum capacity, the higher total might possibly have been reached.

EXPANSION

According to the Aeronautical Chamber of Commerce, the aircraft industry increased its unit production of military planes by more than 100 per cent during 1942, its tonnage production by 300 per cent, and its aircraft horsepower by 240 per cent through co-operation within the industry itself and with the automobile industry.

There was a 70 per cent increase in the number of plants, a 75 per cent increase in factory space, and the number of man hours worked went up by 155 per cent. There has been an increase of 2,575 per cent in the number of women employed in the industry. Payrolls for production employees of plane, engine and propeller manufacturers reached an annual rate of \$1,250,000,000.

AUTOMOBILE INDUSTRY

The automobile industry furnishes an outstanding example of conversion from peacetime to wartime production, and the transition has been accepted as the largest manufacturing turnabout ever effected. The assembly lines, which turned out over 3,750,000 passenger cars in 1941, were stopped, torn up and replaced by new production lines now turning out nearly \$20,000,000 worth of war goods daily, or at an annual rate of \$7,000,000,000. The principal items in the industry's huge annual production are as follows: aircraft and parts, \$2,250,000,000; tanks and parts, \$500,000,000; guns and ammunition, \$500,000,000; military vehicles, \$1,500,000,000; and marine equipment, \$333,000,000. Even these great values do not represent peak production in the industry. The War Production Board estimates that in 1943 the industry will be operating on a capacity basis of \$12,000,000,000 and will account for about one-sixth of the total war production of the country.

By the end of 1942 there were more than 960,000 factory workers on the payrolls of the 775 automotive plants. This number was 50 per cent over the conversion low point of 620,000 workers and 26 per cent above the record peacetime high of 761,000 workers employed in May, 1941. The value of the 1942 output was placed at \$4,665,000,000, which was 10 per cent more than the value of production of civilian goods in 1941.

At the close of 1942 a total of 31,600,000 motor-vehicles, consisting of 27,000,000 passenger cars and 4,600,000 trucks, was registered in the United States as against 34,383,054 cars at the end of 1941. When rationing of automobiles was introduced in February, 1942, there were 536,105 new cars in stock, and approximately 400,000 of these were to be rationed in the following twelve months, while 135,000 cars were to be held until March, 1943.

SHIPBUILDING INDUSTRY

United States shipyards, establishing new records month after month, climaxed its shipbuilding effort by attaining a four-ships-a-day production rate in December to deliver a total of 121. As a result, the 1942 merchant-vessel goal of 8,000,000 dead-weight tons was exceeded by 90,800 tons with the completion of 746 ships.

While a total of 8,000,000 tons of merchant shipping compares with the greatest peacetime fleet of any nation, it is only a fraction of the final objective of the country's program, which calls for 16,000,000 tons in 1943; 24,000,000 tons may be produced unless further special diversion work or national shortage of materials interfere. In addition to building merchant ships, the industry has been busily engaged in the construction of naval vessels of many types and has completed a great amount of repair work.

EXPANSION

When war began in Europe, United States shipyards employed about 20,000 skilled labourers; in November of this year it was estimated that the number had increased to 900,000 and would reach 1,250,000 in 1943. In the meantime, from six factory yards with twenty shipways in the early thirties, the industry had expanded at the end of September, 1942, to 77 yards with 510 shipways capable of handling vessels of substantial size.

BUILDING AND CONSTRUCTION

The building industry completed one of its greatest years in construction history in 1942; new building reached a total value of \$13,600,000,000, an increase of \$2,500,000,000 over the 1941 total of \$11,100,000,000. The industry was almost entirely converted to meeting war needs, practically all non-essential construction being eliminated through various government measures.

The peak of the big war construction program has been passed, and a controlled, curtailed program is in prospect, which may mean a decline of almost 50 per cent in the value of contracts awarded for 1943. However, this reduced volume would be greater than that of the average peacetime year.

The F. W. Dodge Corporation report for the thirty-seven eastern states places the value of construction contracts for 1942 at \$8,255,061,000 as against \$6,007,500,000 in 1941, a gain of 37 per cent. The total value of the 1942 contracts was divided as follows: residential building, \$1,817,700,000—a decline of 6.9 per cent from the 1941 total of \$1,953,800,000; non-residential building, \$3,896,725,000—an increase of 68.2 per cent over the previous year's total of \$2,315,700,000; public works and public utility contracts, \$2,540,600,000—a gain of 46 per cent over the 1941 total of \$1,738,000,000.

NON-RESIDENTIAL BUILDING

The outstanding gains in the construction industry were in non-residential building, particularly factory contracts. The value of contracts for factory buildings in the thirty-seven eastern states amounted to \$2,227,458,000 in 1942, a gain of 88.5 per cent over the 1941 total of \$1,181,500,000. On the other hand, the value of commercial building contracts, at \$302,200,000, was 35.8 per cent below the 1941 value of \$471,200,000; and educational building contracts, at \$147,900,000, were 5 per cent above the total of \$140,800,000 for the previous year. Other residential building contracts showed a gain of 133 per cent, from \$522,100,000 in 1941 to \$1,209,100,000.

RESIDENTIAL BUILDING

Contracts for residential building, exclusive of barracks for the armed services and war workers, declined by 36.7 per cent, from \$1,817,419,000 in 1941 to \$1,149,481,000. On the other hand, contracts for the barracks type of housing accommodation were valued at \$668,200,000, or nearly five times the 1941 value of \$136,381,000.

PRODUCTION OF NEWSPRINT

In common with other industries, newsprint production has been affected by the war program, and during 1942 it was placed under the jurisdiction of the War Production Board and the Office of Price Administration. Shortages of labour and electric power, particularly in Canada and the Pacific Northwest, have been the two principal factors contributing to a decrease in production in 1942.

At the close of the year the United States War Production Board issued an order limiting the tonnage of newsprint a paper may use in 1943 to 100 per cent of its consumption in 1941 plus an allowance of 3 per cent for spoilage. As a result of this order, it is estimated that current consumption will be reduced by about 10 per cent. However, as this is an over-all estimate for the industry, supplies to each individual publisher will not be cut more than 10 per cent; some will be reduced more than 10 per cent, while others will be cut less, depending on how they use their allotment of paper. The majority of weeklies and small-town papers will not be affected by the order.

A recent report issued by the News Print Service Bureau shows that the production of newsprint paper in North America for 1942 totalled 4,407,144 tons, or 7.9 per cent less than the 1941 production of 4,785,577 tons. Canada supplied 3,177,102 tons, or 72 per cent of the total amount; the United States, 952,616 tons, or 22 per cent; and Newfoundland, 277,426 tons or 6 per cent.

The Canadian output of 3,177,102 tons was 7.3 per cent below the output of 3,425,865 tons in 1941. United States production was 62,296 tons, or 6.1 per cent, below the 1941 production of 1,014,912 tons. The output of Newfoundland amounted to 277,426 tons and was 19.5 per cent below the 1941 total of 344,800 tons.

Shipments from United States and Canadian mills in 1942 totalled 4,159,288 tons. Mill stocks in the United States and Canada at the end of the year were 9,601 tons and 91,986 tons respectively, or a total of 101,587 tons (the lowest since December, 1937, when they stood at 59,240 tons) as compared with 131,157 tons in 1941.

TRADE OF JAMAICA IN 1941

F. W. FRASER, CANADIAN TRADE COMMISSIONER

III

NOTES ON IMPORTED COMMODITIES OF INTEREST TO CANADA—*Conc.*

Office Machinery.—The chief item was typewriters, totalling £3,976 in value, of which Canada is credited with £3,069, the United Kingdom with £741, and the United States with £156.

Adding machines were brought in to the total value of £940, entirely from the United States; cash registers accounted for £1,494, mostly from that country also; and unspecified office machinery was valued at £1,951, of which almost 50 per cent came from the United States and slightly more than 25 per cent from Canada.

Other Machinery and Parts.—The largest item in this category was unspecified machinery, totalling £21,666 in value, of which £9,445 is credited to the United States, £6,885 to the United Kingdom, and £5,050 to Canada.

Of specified kinds, water and sewerage machinery totalled £4,209: United States, £2,262; United Kingdom, £1,613; Canada, £334. The total for marine machinery was £2,789, of which the United States accounted for £2,681, and for roadmaking machinery the value was £305, supplied entirely by the United Kingdom.

Mats and Matting.—Total value of imports was £3,151: United Kingdom, £2,392; India, £276; United States, £223; Canada, £164. Fairly large quantities are produced locally from coconut fibre.

Medical Sundries.—Total imports were valued at £7,791: United Kingdom, £5,498; Canada, £2,003; United States, £290. Most of these diversified imports were made by the Jamaica Government for the use of its medical department.

Medicines and Drugs.—The largest item in this group was patent and proprietary medicines, totalling £47,345, of which Canada is credited with £27,441, the United Kingdom with £15,980, and the United States with £1,707. Other kinds of medicines, unspecified, not including "dangerous drugs", quinine, sera and vaccines, are shown as aggregating £37,569. This category comprises ether, chloroform, the wide variety of drugs used in making up doctors' prescriptions, cod-liver oil, vitamin compounds, Epsom and Glauber's salts and numerous other preparations not classed as patent or proprietary medicines. The 1940 totals were £55,865 and £30,641 respectively. In 1939 the combined total was £85,818, and in 1938 it was £85,795. In these and preceding years the two categories were not shown separately in the customs returns.

Vaccine, lymph and medical sera aggregated £5,078 in 1941, the United Kingdom accounting for £3,304, Canada for £1,214 and the United States for £560. In that year imports of quinine totalled £7,579, entirely from the United Kingdom; small quantities of "dangerous drugs"—cocaine, morphine and opium—were also brought in.

Metals: (A) Brass and its Manufactures.—Total value of imports was £2,281: United Kingdom, £1,319; Canada, £749; United States, £213. Screws and miscellaneous articles are included.

(B) *Copper and its Manufactures.*—Total £2,499: United Kingdom, £1,308; Canada, £1,092.

(C) *Iron and Steel Manufactures: (a) Bars and Sheets.*—Imports totalled £52,014 in value: Canada, £20,706; United States, £16,647; United Kingdom, £14,661. Reinforcing bars were a large item in this category. The total for 1940 was £37,803; for 1939, £25,214; and for 1938, £36,933.

(b) *Hoops for Containers for Jamaican Produce.*—Total, £3,864: United States, £1,972; United Kingdom, £1,154; Canada, £738. These hoops were mostly for rum puncheons and for casks used in putting up honey, citrus juice and pulp and some other items of local produce.

(c) *Nails, Screws, Rivets and Staples.*—Total, £27,846: Canada, £23,518; United Kingdom, £3,549; United States, £770. The total for 1940 was £21,621; for 1939, £14,381; and for 1938, £16,233.

(d) *Piping.*—Total, £33,917: Canada, £22,424; United Kingdom, £9,025; United States, £2,422.

(e) *Railway Materials.*—Total, £11,146: United States, £6,861; Canada, £3,575; United Kingdom, £710.

(f) *Roofing Materials.*—Total, £26,876: United Kingdom, £12,249; Canada, £10,772; United States, £3,802. Galvanized, corrugated iron sheets were the chief item; plain metal sheets, locally known as "continuous roofing", metal shingles and guttering are also included. The total for 1940 was £39,633; for 1939, £37,695; and for 1938, £37,843. Normally, corrugated iron sheets are largely used in Jamaica for fencing as well as for roofing. Their use for the former purpose was prohibited early in 1941, when stricter and more comprehensive control of imports of all iron and steel goods was also instituted.

(g) *Wire.*—Imports of *plain wire fencing* totalled £411 in 1941, Canada being the sole supplier. Of *barbed wire*, the total was 6,838 cwt. (of 112 pounds) valued at £8,009, of which Canada supplied 6,799 cwt. (£7,941) and the United States the remainder. The total for *wire netting* was £1,536 (Canada £1,395); for *wire screen cloth*, £6,351 (Canada £6,069); and for *other kinds of iron wire*—mainly ordinary tying wire—£5,477 (Canada £5,056).

(h) *Unspecified Manufactures of Iron and Steel.*—Total, £4,379: Canada £1,705; United Kingdom, £1,496.

Besides the iron and steel items listed above, pig iron was imported in the total value of £96 from the United States.

(D) *Lead.*—Imports of manufactures of this metal totalled £1,059, of which Canada is credited with £577, the United Kingdom with £441 and the United States with £41. Pig lead accounted for a total value of £1,723 and was supplied entirely from Canada.

(E) *Tin.*—Imports of tin manufactures, consisting mostly of sheets, reached a total value of £11,003: United Kingdom, £5,196; United States, £3,978; Canada, £1,829.

(F) *Metal Containers for Jamaican Produce.*—This is a fairly considerable item in the import trade, consisting chiefly of cans for locally made condensed milk and edible coconut oil. Total imports in 1941 were valued at £32,613, of which the United Kingdom is credited with £18,300, the United States with £10,011 and Canada with £3,718.

(G) *Unenumerated Metals.*—Total, £9,560: Canada, £8,032; United Kingdom, £1,181; United States, £347. There were also small imports of zinc and its manufactures, totalling £58, from the United Kingdom.

Musical Instruments and Parts.—Of *pianos and organs*, complete, 29 units were imported in 1941, valued at £795, entirely from the United States. *Piano and organ parts and accessories* accounted for £292, of which Canada is credited with £275, and the United States with £17. The total for *unspecified kinds of musical instruments* (mainly gramophones) was £419: United Kingdom, £159; Canada, £130; United States, £85. *Parts and accessories, unspecified* totalled £2,921: Canada, £2,142; United Kingdom, £454; United States, £237. Radios are not included in this category but under "electrical apparatus", q.v.

Oil: (a) *Essential.*—Total, 28,825 gallons (£1,944): United Kingdom, 18,227 gallons (£837); United States, 7,859 gallons (£442).

(b) *Linseed*, largely for mixing paints, is shown as totalling 98,560 gallons valued at £21,216: India, 71,027 gallons (£14,946); United Kingdom, 27,268 gallons (£6,187).

(c) *Medicinal*.—The only imports were 301 gallons of castor oil valued at £71, supplied by the United Kingdom. Other medicinal oils (chiefly cod-liver oil) are included under "medicines and drugs, other kinds".

Oilcloth.—Total, £4,086: Canada, £3,544; United Kingdom, £517. This classification includes linoleum. The Canadian product has been on the market for some years and now predominates on account of war conditions.

Painters' and Printers' Colours and Materials.—Total, 2,449,642 pounds (£63,355): United Kingdom, 1,538,890 pounds (£34,033); Canada, 799,972 pounds (£26,858); United States, 108,216 pounds (£2,402). Imports in 1940 totalled 2,387,953 pounds (£61,289); in 1939, 1,991,455 pounds (£45,382); and in 1938, 1,924,398 pounds (£42,680). This classification includes barytes, nickel oxide, white and red lead, turpentine, varnish and printing ink.

Paper.—Imports of this commodity, which with its various manufactures represent a large item of Jamaica's import trade, were valued at £212,884 in 1941, of which Canada supplied to a value of £139,141, a heavy increase, due to wartime conditions, over the figures for preceding years. A report on the market for paper in Jamaica will be published in an early issue of the *Commercial Intelligence Journal*.

Perfumery, Toilet Preparations and Toilet Articles: (a) *Perfumes*.—Total, £6,479: United Kingdom, £5,114; United States, £812; Canada, £511. Bath salts and scented sachets are included.

(b) *Cosmetics*.—Total, £24,674: United Kingdom, £21,242; Canada, £1,692; Australia, £1,341; United States, £378.

(c) *Dentifrices*.—Total, £9,717: United Kingdom, £4,465; Canada, £3,365; Australia, £1,878. Mouth washes are included.

(d) *Toilet Preparations, Unspecified*.—Total, £2,508: United Kingdom, £1,467; Canada, £636; British Guiana, £270. This heading includes shaving soap and cream, smelling salts, and toilet water.

(e) *Toilet Requisites*.—Total, £445: United Kingdom, £389; Canada, £38. Manicuring implements, powder bowls and puffs, and denture bowls are included.

Photographic Apparatus and Chemicals.—Total, £5,115: United States, £1,697; Canada, £1,686; United Kingdom, £1,680. Films are not included, being separately classified.

Plate and Plated Ware.—Imports of plate, consisting of household utensils of pure gold or silver, were, of course, very small, totalling £291, and were supplied mainly from Canada.

Imports of plated ware, gilt or silvered, consisting mostly of spoons and forks, totalled £512, of which Canada's share was £494.

Other kinds of plated ware, unenumerated, accounted for a total value of £2,754, of which the United Kingdom is credited with £2,600 and Canada with £1,052. This classification covers a wide range of articles, including various kinds of household ornaments and utensils.

Polishes and Blacking.—Total, 408,539 pounds (£19,964); United Kingdom, 358,862 pounds (£17,549); Canada, 45,938 pounds (£2,157); United States, 3,139 pounds (£146). Automobile, floor, metal and shoe polish were the chief types imported. The total for 1940 was 527,850 pounds (£25,146); for 1939, 400,471 pounds (£20,064); and for 1938, 384,929 pounds (£18,948). Polishes have been locally made for a few years past to a moderate extent, and the output is expanding. Of imported kinds, English brands have been established in the market for many years.

Ribbons.—Total, £2,722: United Kingdom, £1,903; Canada, £788. Several kinds of tape, chiefly of silk and mercerized and ordinary cotton, are included in this classification.

Roofing of Felt.—Total value of imports was £4,311, of which the United Kingdom's share was £4,289. Imports totalled £6,244 in 1940, £1,716 in 1939, and £124 in 1938. The demand for this article has been stimulated by restrictions of exports of metal roofing materials from manufacturing countries.

Rubber and Gutta Percha Manufactures.—Total, £15,262: Canada, £10,158; United Kingdom, £3,678; United States, £1,140. This category comprises bathroom mats, erasers, water bottles, hose, surgeons' gloves, rubber sheeting and other sanitary requisites and a number of other items but does not include rain-coats, boots and shoes, tires and tubes for vehicles, or toys, which are separately classified.

Saddlery and Harness.—Total, £3,985: United Kingdom, £2,322; Canada, £961; United States, £702. Restriction of motor traffic during the present year, due to shortages of gasoline and tires, has resulted in increased use of animal-drawn vehicles. Consequently saddlery and harness are much more in demand than they normally would be. There is a small local output by individual producers.

Silk Manufactures (i.e. of Pure Silk).—This is a small trade, the demand being mostly for cotton and rayon goods. Of pure silk articles, piece-goods were imported in the total quantity of 4,815 yards valued at £446, almost entirely from the United Kingdom. Imports of thread totalled £252, Canada being the sole supplier, and those of unspecified manufactures, valued at £29, also came mostly from the Dominion.

Soap.—The principal kinds imported are laundry soap and toilet soap. The former has been made in Jamaica from coconut oil for some years past, and the industry has been progressively developed and consolidated. It now has most of the trade, and imports have correspondingly declined. They totalled 501,731 pounds (£12,530) in 1941, this quantity being but slightly over 10 per cent of the figures for 1937, 1938 and 1939. The United Kingdom was practically the sole supplier.

For toilet soap, the 1941 total was 718,611 pounds (£23,113), of which the United Kingdom supplied 358,573 pounds (£12,987); Australia, 244,030 pounds (£7,130); and Canada, 109,408 pounds (£2,882). Imports from Australia resulted from the wartime exchange policy of buying from the sterling area as much as possible.

Of other kinds, polishing soap was the chief type of import, totalling 263,725 pounds (£3,699). Soft soap totalled 42,846 pounds (£641), and soap flakes, 29,123 pounds (£1,410). There were also insignificant imports of liquid soap and soap powder. The United Kingdom was by far the largest and in some cases the only supplier of these articles.

Stationery (not of Paper).—Total, £19,124: United Kingdom, £10,128; Canada, £7,176; United States, £1,615. Pens, pencils and writing ink were the chief items.

Stones and Slates.—Marble and granite, mainly for tombstones, accounted for most of this small item of Jamaica's import trade. The total value of imports was £1,035, of which Canada is credited with £606. Slates and pencils represented £609, supplied from the United States and Portugal. There were also inconsiderable imports of grindstones and of unenumerated articles classified under this heading.

Textiles.—These imports, described as "piece-goods of mixed materials", totalled 122,318 yards (£5,407) and were supplied almost exclusively from the United Kingdom. Linen fabrics were the main item in this category, which

does not include piece-goods of cotton, rayon, pure silk, wool, or artificial wool, these being separately classified. Imports of unspecified textile products, consisting of made-up articles such as napery and other textile squares, totalled £13,066 in value, of which the United Kingdom is credited with £10,292 and India with £1,254.

Toys and Games.—Total, £9,502: United Kingdom, £5,476; Canada, £2,761; India, £882. Canadian dolls are well established in the market.

Wallboards.—Total imports were valued at £7,196, of which Canada's share was £7,132. They consisted of asbestos and gypsum products and also of hard prestboard, but not of fibreboard or plywood, the former of these being classed under paper in the heading "wallboard and compoboard" (see above) and the latter under "wooden manufactures, other kinds" (see below). The demand for asbestos, gypsum and similar durable building material has moderately but steadily increased in late years.

Wooden Containers for Local Produce.—These are imported mostly knocked down—that is, in shook form—but in 1941, as in 1940, there were relatively small imports of made-up containers. Following are particulars of the former:—

(a) *For Biscuits.*—Total, £612, entirely from Canada.

(b) *For Cigars.*—Total, £2,360: Canada, £1,685; United States, £675. In 1940 and preceding years the United States had most of this trade.

(c) *For Citrus Fruits.*—Total, £10,568: Canada, £8,755; United States, £1,813; these were crates. Imports considerably declined in the year under review on account of wartime conditions, which necessitated the shipment of the bulk of the Jamaican orange and grapefruit crop in the form of juice and more recently as pulp. Total imports of citrus crates were valued at £17,934 in 1940, £27,559 in 1939, and £25,093 in 1938.

(d) *For Citrus Juice.*—Total, £28,404: United States, £16,703; Canada, £11,701. These imports represent a heavy increase over those for 1940, 1939 and 1938, when the totals were respectively £2,941, £1,492 and £278. During 1941 most of the exportable portion of the citrus crop was turned into pulp. In both cases tight casks are needed for shipment, and their capacity is the same—about 40 gallons. See (l) below.

(e) *For Essential Oil.*—Total, £3,849: United States, £3,721.

(f) *For Honey.*—Total, £6,860, entirely from Canada.

(g) *For Lard and Margarine.*—Total, £556, entirely from Canada.

(h) *For Limes.*—Total, £224, entirely from the United States.

(i) *For Logwood Extract.*—Total, £3,092, entirely from the United States.

(j) *For Marmalade.*—Total, £3,995: United States, £2,389; Canada, £1,606.

(k) *For Matches.*—Total, £748, entirely from Canada.

(l) *For Orange Pulp.*—Total, £4,617, entirely from the United States.

See (c) and (d) above, also (m) below.

(m) *For Preserves.*—Total, £5,057, entirely from the United States. The total for 1940 is shown as £20, and no imports are recorded for 1939 or 1938. Most of the 1941 imports were casks for orange pulp, which for some time after shipments began was classed under "jams, jellies and preserved fruits".

(n) *For Rum.*—Total, £57,718: United States, £57,603; Canada, £115. The imports from the United States were white oak rum puncheons; those from Canada were cases for bottled rum.

(o) *For Soap.*—Total, £6,107: United States, £3,837; Canada, £2,270. Imports were valued at £2,331 in 1940, £2,768 in 1939, and £1,896 in 1938. They consisted of boxes for locally manufactured soap, the output of which considerably increased in 1941.

(p) *For Tomatoes*.—Total, £2,937: Canada, £2,734; United States, £203. In addition, wooden containers for unenumerated vegetables and other Jamaican produce were imported to a total value of £222, entirely from Canada.

Imports of made-up containers were relatively small and comprised mostly empty rum puncheons returned to Jamaica. The total under this head was £3,210; there were, in addition, much smaller imports of made-up wooden containers for cigars, margarine and potatoes.

Wooden Furniture.—Total, £6,053: Canada, £5,336; United States, £466. The total was £10,843 in 1940, £14,056 in 1939, and £19,634 in 1938. Coffins, caskets, chairs, doors, sashes, tables, window-blinds and many other items of household and office furniture are included, together with reed furniture, in this category. Imports have declined, and local production has increased in consequence of wartime conditions.

Wooden Manufactures, Other Kinds, Unspecified.—Total, £9,892: Canada, £8,376; United Kingdom, £975; United States, £398. The total was £5,118 in 1940, £11,775 in 1939, and £14,030 in 1938. The largest individual item in this category was plywood, entirely supplied from Canada. Included also are step-ladders, bread-boards, toothpicks, ice-cream and other wooden spoons, popsicle sticks, handles (except for agricultural and artisans' tools, handles for which are included with the items), outer packages subject to duty, and other wooden articles not elsewhere classified.

Woollen Piece-goods.—Total, 270,213 yards (£50,933): United Kingdom, 270,116 yards (£50,895). In quantity about four-sevenths of these imports were valued at 3s. 6d. per yard or less, but their aggregate value was only about one-fifth of the total figure. Both kinds were pure wool. Imports of artificial woollen piece-goods were negligible.

Woollen Yarn.—Total, £3,475: United Kingdom, £1,962; Canada, £1,510.

In addition there were imports of other unspecified woollen manufactures, mainly from the United Kingdom, totalling £278 and known to include blankets and shawls.

Unenumerated Manufactured Articles.—Total, £50,502: Canada, £17,970; United Kingdom, £15,870; United States, £15,447. This is a "residue" category, comprising goods not included in any other.

PROBLEMS OF UNITED KINGDOM RETAILERS IN WARTIME

JAMES CORMACK, CANADIAN TRADE COMMISSIONER

Bristol, January 10, 1943.—There has been considerable discussion both in Parliament and in the press in the United Kingdom with regard to the war-time position of retailers, more especially since the suggestion has been put forward that there is evidence of a trend towards the elimination of the small business man.

Although department stores, multiple shops, chain stores, and co-operative stores account for a substantial volume of trade, perhaps as much as 90 per cent of the total is still handled by independent businesses, usually comprising shops on the main streets conducted by the owners and hired assistants but also including thousands of whole- or part-time shops on side streets, run, often in conjunction with their homes, by the owners and members of their families.

EFFECT OF GOVERNMENT CONTROLS

Government controls of many kinds have been extended and have become more rigid with the necessity for a greater war effort. They affect non-foodstuffs shops chiefly in the matter of supplies, which are subject principally to reduction of quantities; regulation of qualities, varieties, etc.; and limitations of

price. Austerity or utility merchandise is the order of the day. Nearly all foodstuffs are controlled by the Consumer and Rationing Scheme of June, 1941, and by the "points" systems. These businesses are therefore not now so seriously affected in respect of supply, although retailers are put to considerable trouble and "accounting" in handling the necessary coupons.

The general transport shortage has adversely affected distribution, adding to the traders' difficulties, while the Raw Materials Controls limit the replacement of stocks from manufacturers, which, in turn, results in some unfairness in distribution and in favouritism in sales. A decreased volume of business calls for an increased profit for all handlers and there is constant conflict with price ceilings. To these difficulties of wartime traders may be added those resulting from the greatly increased purchasing power of the war workers. A high standard of business integrity is called for if abuses are to be kept strictly in check.

Control of prices is effected by the Price of Goods Act, 1939, and the Goods and Services (Price Control) Act, 1941, and related orders thereunder. By its main provisions the former limits increases in price to those goods which reflect increases in costs and was designed to stabilize profits on a pre-war basis while allowing increases in the ratio of proved additional expenses. The latter Act does not apply to foodstuffs and resulted from the former largely in an effort to meet the condition of restriction of supplies. It allows the Board of Trade to fix maximum prices and margins for the manufacture and distribution of goods and also for services.

MANPOWER SHORTAGE

The growing national need for more labour, the subject of a recent pronouncement by the Minister of Labour, is about to fall more heavily upon retailers of all products except food and drink. Their depleted staffs are to be further reserved and called into the services or for urgent war work. Men up to 50 years of age and women up to 45 must register for call-up. Many women who had been trained to replace men will have to go, and thus the difficulties of the shopkeeper, whom circumstances have made particularly vulnerable to the demands of the Ministry and to the caprices of the workers, will be increased. The larger and financially stronger concerns can more easily afford to continue in business.

GOVERNMENT ASSISTANCE

In the event that the retailer decides to remain in business, he may be able to make it pay by reason of some of his competitors having given up and left him more opportunity for trade. Alternatively, if he cannot make money, he will in time use up his accumulated resources to the point where, in the words of the Act, he may be "in serious financial difficulties owing to war circumstances". The Liabilities (Wartime Adjustment) Act, 1941, is designed to help him to meet this difficulty. Under it he may seek the help of an official, known as the Liabilities Adjustment Officer, in arriving at an equitable and reasonable scheme of arrangement with his creditors without suffering the stigma of bankruptcy, or, if a scheme cannot be arranged by the Officer with the creditors, he can apply in court, in private, for an adjustment order designed to give relief from continuing liabilities should he decide to suspend business. The order may cover payment of debts, altering of leases, payments under mortgages, rents, hire-purchase agreements, and similar liabilities. There seems to be no provision for a government or other grant of money in this legislation, although some of the assets realized from any sale may be applied to the maintenance of the debtor and his family, and his home and furniture may be exempted from

seizure, the burden thus falling on the creditors on the principle of spreading the loss.

A "Retail Trade Committee", advisory to the Board of Trade, has studied and, in part, reported ad interim on some of the problems which have developed. At present it is consulting with principal trade organizations in considering the varying difficulties as they affect each particular branch of trade. It is assumed that the purpose is to provide solutions for post-war as well as present difficulties, and the committee's final report will doubtless call for government consideration of some far-reaching and even revolutionary changes in the system of retailing goods in this country.

MILK POSITION IN NORTHERN IRELAND

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Belfast, January 30, 1943.—The output of milk and dairy produce accounted for roughly 20 per cent of the agricultural income of Northern Ireland between the years 1930 and 1936. In 1939 (the last year for which figures are available) there were 269,689 dairy cattle in the province. The total milk yield was estimated at 100,000,000 gallons.

Before 1939 two-thirds of this supply went to factories but, since the outbreak of war, consumption has greatly increased. The present policy of the Government is to expand production in order to meet this demand and also to have available as large a surplus as possible for shipment to Great Britain, where in the winter months the requirements now exceed supply. At present Ulster is sending from 130,000 to 150,000 gallons of pasteurized milk per week to Scotland. Total exports during the 1941-42 winter season were about 1,250,000 gallons, and the daily average was around 10,000 gallons for six days a week. Now it is between 20,000 and 23,000, and in addition, 13,000 gallons are shipped on Sundays. All shipments for Scotland go to Glasgow, from where they are distributed.

GOVERNMENT POLICY AND PRICES

The Milk and Milk Products Act, introduced in 1934, was designed to stabilize prices to the producer and to improve the quality of milk, with a view to stimulating consumption. The Act authorized the sale in Northern Ireland of four grades: A, B, C, and D. It is provided that only the first three grades could be sold on the liquid-milk market, while Grade D was restricted to use for manufacturing purposes, for churning on the farm, or for consumption in farm households. Producers and distributors of the first three grades were required to have licences, to qualify for which certain standards of production, processing and distribution had to be maintained.

Since November 1, 1940, however, all dairy farmers in Northern Ireland (with certain exceptions) have been required, under the provisions of the Milk Control (Northern Ireland) Order, 1940, to place their milk at the disposal of the Ministry of Agriculture and to deliver it to the Ministry or to its order. The Ministry of Agriculture, on behalf of the Ministry of Food, paid for all milk delivered to distributors or to creameries or other manufacturing concerns on the basis of their receipts in 1938-39, plus a wartime increase. From October 1, 1942, these price arrangements were replaced by a system of payment on the basis of quality.

There are three grades—liquid, manufacturing, and rejected. Milk of liquid standard is paid for at a minimum price equivalent to that already announced for Grade C sold for household consumption. A lower price obtains for manufacturing milk, while that which is not suited for manufacturing purposes is rejected, and no payment is made for it. The prices fixed for liquid

and manufacturing grades for the six months October, 1942, to March, 1943, are as follows:—

Northern Ireland Milk Prices

	Liquid Per Gal.		Manufacturing Per Gal.	
	s.	d.	s.	d.
October..	2	2	1	8
November..	2	4	1	10
December..	2	6	1	11
January..	2	6	1	11
February..	2	5	1	11
March..	2	2	1	8

These prices rule irrespective of the purpose for which the milk is used. By the Milk and Milk Products Act (Northern Ireland) 1934, a dairy farmer holds a licence corresponding to the quality of the milk he sells. If he holds a Grade A or Grade B licence and his milk complies with the standard laid down for liquid quality, he receives for the six months referred to above a bonus per gallon, according to the licence he holds, of 3·65d. for Grade A and 1½d. for Grade B.

HANDLING

Milk for consumption as a beverage has now to be carried much greater distances than before the outbreak of war. Large quantities have to be brought from the western counties into Belfast or transported to Great Britain. In order to ensure proper handling, therefore, the Government set up and equipped a number of whole-milk depots in country areas, where milk is now tested for quality, pasteurized and processed before being disposed of. In addition to the facilities for purchase on a quality basis afforded to farmers at these government stations, a number of other centres for sampling are being established at certain creameries or other manufacturing plants and also on the premises of the larger Belfast distributors. These arrangements for testing do not apply to sales to the smaller distributors or to those by producer-retailers, but periodic examination will be made of the milk delivered through these channels, and failure to comply with the required standards of quality will result in the diversion of supplies to a distributor or manufacturer on whose premises facilities for daily sampling are provided.

TRANSPORT

In order to economize in the use of transport, which is both short in respect of supply and becoming increasingly expensive, the Government decided to rationalize the collection of milk in Northern Ireland. The Ministry of Agriculture then contracted with distributors, creameries, factories and milk-carriers for the collection of milk from farmers, who are charged for this service. The charge made is subject to revision according to the actual costs incurred, but a uniform deduction of 1·6d. per gallon has been made as from October 1, 1942. Under the Milk (Control) (Northern Ireland) Order, 1940, milk supplies may be directed to the most convenient centres, so as to eliminate overlapping of distribution.

MANUFACTURE

A factory for the manufacture of condensed milk was opened at Omagh, Co. Tyrone, on July 1, 1942. Its present capacity is approximately 15,000 gallons per day. In addition to producing condensed, evaporated, and a small quantity of powdered milk, the plant is at the disposal of the Ministry of Agriculture for the processing of supplies of liquid milk for the Belfast market or for shipment to Great Britain. The same firm also operates a small plant at Ballymoney, Co. Antrim, for the production of powdered milk only, its present intake being between 2,000 and 3,000 gallons per day.

FOOD RATIONING IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, February 4, 1943.—In a report on tea rationing in Newfoundland, published in *Commercial Intelligence Journal* No. 2031 (January 2, 1942), page 10, it was stated that an honour system had been adopted in order to regulate distribution. In an address over Newfoundland radio stations on January 30, 1943, the Commissioner for Public Health and Welfare announced the rationing of tea by coupons and the extension of the honour system to cover sugar and molasses. The Commissioner suggested that coupon rationing would probably be introduced for sugar and molasses at a later date and that the honour system would operate until ration books could be printed and distributed. The Commissioner also indicated that it was proposed to review the channels of distribution, the prices and credit structure, and the profits on consumer goods. He also stated that, as far as was practicable, price control would be extended to other commodities.

The Government has prohibited the exportation of foodstuffs except under licence. At present there is an exemption for parcels of foodstuffs weighing not more than four pounds, if the parcel is destined for a member of the armed forces serving overseas except in Canada and the United States, and for parcels being sent to prisoners of war, provided no tea or sugar is included.

RATIONING REGULATIONS

Beginning February 1, 1943, the rationing of tea is fixed at two ounces per person per week for persons ten years of age and upwards and at one-half ounce per person per week for those under ten years of age.

Stocks of sugar and molasses in the hands of wholesalers are to be frozen. No person may purchase for his own consumption more than one pound of sugar in any one week, and this shall include icing and maple sugar, syrup and molasses, one pint of molasses being regarded as the equivalent of one pound of sugar. The provision that one week's purchase can be made at one time does not apply to persons residing more than five miles from the nearest shop at which sugar may be purchased retail. Local manufacturers using sugar shall not in any quarter of a calendar year use more than 70 per cent of the quantity of sugar used by them in the corresponding quarter of the calendar year 1942. Bakers, confectioners and like manufacturers will not be permitted to use frosting or icing on any cakes, biscuits or bakery products. The serving of sugar by hotels, restaurant-keepers, etc., is regulated in much the same way as in Canada. The retail price of sugar has been fixed in Newfoundland for some time. The wholesale prices have now been set for sugar, and it is proposed in the near future to control both the wholesale and retail price of molasses also.

The regulations also provide that the Food Controller may allot special supplies of sugar at appropriate times for domestic preserving and canning. This provision is particularly desirable at present because of the difficulty in obtaining many foods from overseas and on account of the Government's announced policy of encouraging domestic production as much as possible.

ANTI-INFLATION MEASURES IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, December 22, 1942.—Realizing that the control measures introduced at the outbreak of the war were no longer adequate, the New Zealand Government, on December 16 last, gazetted additional emergency regulations (effective December 15, 1942) designed to arrest the dangerous trend towards inflation in the Dominion. The measures now taken concern economic stabilization in the form of strict control of prices of a wide range of living essentials and the fixing of rents and rates of remuneration. The emergency that demands this action is described in a statement by the Prime Minister as follows: "Since 1939 the national income has increased by about £50,000,000, and the supply of goods the people can buy has increased by more than £40,000,000. This excess of purchasing power, amounting to almost £100,000,000, has begun to swamp the Government's price controls. The inescapable alternatives are either to turn off the stream at its source or to let events take their course, and the course would be inflation and the destruction of all that has been attained in the way of social security."

Although generally regarded as belated, the announcement of the plan has been well received by all sections of the country.

RENTS

The regulations freeze all rents at the levels prevailing on September 1, 1942, except where a fair rent has been fixed under the provisions of the Fair Rents Act, in which case it is an offence to charge more. If a property was not let on September 1, 1942, then the basic rent will be the rent last payable before that date and, in the case of a property first let after September 1, 1942, the basic rent is the rent first payable. Any amount in excess of the basic rent or fair rent that has been paid may be recovered within a period of six months or may within the same period be deducted from rent accruing.

WAGES AND SALARIES

All rates of remuneration paid at the date of the regulations (December 15) are fixed. The term "rates of remuneration" includes time and piece wages and overtime, bonus and other special payments allowances, fees or commissions, and every other emolument (whether paid in money or not), travelling expenses, and directors' fees. Rates may be increased only with the permission or at the direction of the government authorities.

During the period of the war no change will be made in the minimum wages already established or in the principal conditions of employment under any award or agreement, except such adjustments as the Arbitration Court approves, having regard to the general purpose of the plan.

The incomes of companies and individuals are held down through the combined operation of income tax, excess profits tax, and price orders.

COST OF LIVING

For the purpose of arriving at a truer estimate of the cost of living, a new wartime prices index has been prepared to replace the present one, which has become inadequate for wartime conditions. It now includes in addition to the main groups of commodities and services previously covered, such as food, rent fuel and light, the average family needs in the way of fresh vegetables and fruit. The additional items are cabbages, carrots, parsnips, turnips, potatoes, onions, apples and lemons. If an increase of not less than $2\frac{1}{2}$ per cent is shown

in the index, then the Arbitration Court will make a general order affecting all wage awards; thereafter an adjustment will be made on a 5 per cent rise or fall.

PRICES

At the outbreak of war all prices were brought under control of a body known as the Price Tribunal, which, in the interests of both consumers and producers, maintained strict supervision over all prices. In September, 1941, a ceiling was fixed for 38 of the more important commodities entering into the cost of living; the regulations just announced stabilize the prices of an additional 110 items. The complete list now embraces a wide range of items, including groceries, dairy products, meat, fresh fruit and vegetables, fuel and lighting, clothing, footwear, drapery, furniture, utensils, and a large number of miscellaneous articles in common use. Goods sold and services rendered by local authorities also come within the control of the Price Tribunal as do goods sold on the instalment plan.

BLACK MARKET

Provision for the prevention of profiteering and black marketing is included in the regulations. Heavy penalties will be imposed for infractions on both buyers and sellers.

CONTROL OF MANUFACTURE IN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, December 7, 1942.—The establishment of new manufacturing businesses in Australia has been prohibited by a regulation issued by the Department of War Organization of Industry under the National Security Act. "Manufacture" includes any making, assembling, treating, preserving, canning or production of goods for industrial or commercial purposes. Rural primary production, however, is excluded from the scope of the regulation, as is also production under a government contract.

A manufacturer may not, except under permit, produce articles new or different from those that were being produced by him in the period July 24 to October 23, 1942, nor may a manufacturer take over new premises. An article is "new or different" if it differs from goods previously produced by the same firm in description, material composition, type, make, form, style or design. This practically means that any change at all comes within the scope of the regulation, but there are certain exceptions, namely:—

- (a) If the change is only of "style or design," there will be no need to obtain a permit, provided the change does not involve any addition or alteration to machines or tools at a cost exceeding £100 or an annual machine rental of £15.
- (b) A clothing manufacturer may change his material (among woollens, cotton and rayon) without a permit.
- (c) If a firm is making part of an article for another firm that holds a permit or Commonwealth contract covering the whole article, then the maker of the part will not require a separate permit to make that part.
- (d) A firm which has been producing goods of a particular type seasonally over the period of the past two years will not require a permit to recommence their production at the normal time.

Goods produced in pursuance of a contract with the Commonwealth Government will be exempt from the regulation, but this exemption applies only to the goods actually produced under such contract. The firm will require a permit

to produce similar goods in excess of, or apart from, those covered by the contract or to continue production of the goods for commercial sale after the Commonwealth contract is completed.

According to the Department of War Organization of Industry, this regulation was made necessary because, when some manufacturers switched over to war work, often others seized the opportunity to enter the vacated field, even though the goods were of a luxury nature. Also non-essentials previously imported were being produced locally, while in other cases new plant and manpower were being used in fresh enterprises, although existing establishments could produce all that was required.

FISHERIES AND GAME IN SOUTH AUSTRALIA

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, has forwarded to this Department a copy of the annual report on the operations of the Fisheries and Game Department of South Australia for the financial year ended June 30, 1942.

As the scope of this report is limited to activities in only one Australian state, it is not proposed to publish details in the *Commercial Intelligence Journal*, but the copy received is available for inspection by interested Canadian persons or firms on application to the Department of Trade and Commerce, Ottawa (quote file No. 23551).

Among the activities covered by the report are the following: methods of fish marketing in South Australia, fish canning, licensing of fishermen, and research work. It includes tables showing the approximate quantities and values of the fish passing through the Adelaide fish market, fish from west coast fishing centres, quantities of fish carried interstate by Southern Australia railways, and quantities of fish condemned in 1941-42.

PERUVIAN ENTERPRISE

From the *Times Trade and Engineering Supplement*

The President of Peru recently stated in the customary message to Congress that, although Peru had probably suffered less from the effects of the war than any other South American country, problems were now being encountered, owing to the scarcity of transport and difficulties in obtaining replacements of machinery. The fiscal position, however, appears sound, while the agreement with the United States has regularized the cotton situation, assured a market for Peruvian flax, and paved the way for an increased output of rubber. Development of mining and petroleum is more intense than at any previous time in the country's history. An extensive program of public works, notably irrigation, has been carried out, and many new roads have been built to open up zones of production. Considerable sums have been spent on the import of pedigree live stock. The 1942 cotton crop is estimated at about the same as in 1941, and recent purchases on account of the British Government have steadied quotations appreciably. The Government has decreed a substantial reduction in the acreage under cotton, with the result that the price will be correspondingly increased for the sale of Peru's cotton crops to the United States Government under the recent agreement. The British purchases of cotton have resulted in a surplus of sterling in the foreign exchange market, and this, as well as the excess of dollars, is being taken up by the Central Bank.

The sterling exchange market continues fairly easy within present restrictions. Although the Central Bank will now itself deal in foreign exchange, so far the open market has not been affected, inasmuch as the Central Bank confines its operations at present to United States dollars, and intends to deal only in first-class sight paper and will not purchase usance or documentary bills. The fuel shortage grows increasingly serious.

CHILEAN EXPORT ACTIVITY

From the Times Trade and Engineering Supplement

Chile's latest trade statistics cover the first half of 1941. Although the volume of foreign trade declined, the increase in commodity prices resulted in the total value of imports rising by 30 per cent and that of exports by 23 per cent, so that the recorded, but not fully effective, favourable balance of trade rose to 128,000,000 pesos (of 6d. gold). There have been large shipments of copper, nitrate, wool, and frozen meat to the United States and the sterling area, as well as a noteworthy rise in shipments of hemp. It is difficult to predict future prospects in Chile, for, while hopes centre upon increasing politico-economic co-operation with the United States—upon which country overseas business mainly depends—the shrinkage in available imports must eventually have repercussions upon trading results. At the same time the serious reduction in imports of petrol, etc., is likely to exercise an important influence not yet possible to estimate. Also there are increasing signs of inflation, the note circulation having more than doubled since the war started, and the fact that the budget estimates for 1943 are at new high levels gives rise to general concern. Economy would appear necessary, although the Government has prepared a plan for additional expenditure of 60,000,000 pesos on public works during the remainder of the present year. However, the Government will submit to Congress an Emergency Economic Plan to regulate prices in view of their undue rise, to deal with the question of unemployment resulting from the shortage of petrol, and in general to combat the financial difficulties attendant upon the present international situation.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

QUOTA FOR ELECTRIC FILAMENT LAMPS

Mr. George Shera, Office of the Canadian Trade Commissioner in Dublin, advises that the Government of Eire has issued an Order, dated December 18, 1942, which fixes a further quota and quota period for electric filament lamps of 100 to 250 volts, consuming not more than 1,500 watts. The quota that may now be imported into Eire for the period February 1, 1943, to July 31, 1943, is 100,000 articles and is the same as that fixed for the preceding six months.

Australia

CONTROL OF CUTLERY IMPORTS FROM THE UNITED KINGDOM

The Division of Import Procurement, Department of Trade and Customs, Australia, issued a notice on December 11, 1942, that the United Kingdom had restricted the exportation of cutlery to 20 per cent, by weight, of normal exports and advised that no further orders were to be accepted by British manufacturers unless they were sponsored by the Government of the importing country. To enable sponsorship to be made on an equitable basis and to utilize the available steel to the best advantage, complementary measures have been taken in

Australia. It has been decided to prohibit the importation of tomato, cheese, fruit, cake, salad, and vegetable knives; fish eaters; cake saws; embroidery, nail, cuticle, and manicure scissors; pen and pocket knives when under $3\frac{1}{2}$ inches in length; multiple and/or combination pocket knives; and pencil sharpeners (when not machines).

Importation of butchers' and cooks' knives, knife sharpeners, and spoons and forks (not plated or of mixed metal) is restricted to 50 per cent of the imports during the base year ended June 30, 1939; imports of safety-razor blades are not restricted.

The foregoing regulations are applicable to imports from sterling countries. As regards imports from non-sterling countries, the restrictions are more severe, as all these classes of cutlery are in a "no licence" category.

Newfoundland

EGG-MARKING REGULATION SUSPENDED

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, writes under date January 16, 1943, that the Newfoundland Government, under the Emergency Powers Defence Act, 1940, has suspended the provision of the section of the Grading and Marking Act which prohibits the importation of eggs unless marked with the country of origin. Buyers of eggs in Newfoundland have now no way of knowing whether the eggs they purchase are of foreign or domestic origin. The original regulation was designed to protect local consumers by enabling them to make this distinction.

The reason for the suspension of the regulations is that the local supply of eggs is totally inadequate to meet the market requirements, so that heavy importations are necessary. Until late in 1942, local importers of eggs purchased from relatively few suppliers, who were familiar with the Newfoundland marking regulations and stamped their eggs accordingly. At present, on account of egg shortages everywhere, supplies must be obtained from widely scattered sources, with the result that many consignments have come through without being stamped. With the scarcity of labour in supplying countries, it is impossible to insist upon stamping if required supplies are to be obtained. It has therefore been decided to suspend the aforementioned section of the Marking and Grading Act temporarily, although the provisions may be made effective at any time should the officials consider this step desirable.

El Salvador

DUTY REDUCTIONS ON CLAYS, EARTHS AND OXIDES

Mr. C. S. Bissett, Canadian Trade Commissioner in Mexico City, writes that a decree of El Salvador, effective November 30, 1942, reduces the import duty on kaolin (china clay) and flowers of sulphur (powdered sulphur) from \$18.60 to \$2.50 per 100 kilograms (220 pounds). On lead oxide (litharge) the duty is reduced from \$10.40 to \$5 per 100 kilograms and on white oxide of zinc from \$10 to \$5. New items have been set up for synthetic colouring materials for rubber and products especially prepared for the elaboration of rubber, such as accelerators, retarders, anti-oxidants and materials for increasing plasticity, the rate on which is \$5 per 100 kilograms. Duties in El Salvador are expressed in United States dollars.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 8, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 8, 1943, and for the week ending Monday, February 1, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 1	Nominal Quotations in Montreal Week ending Feb. 8	Official Bank Rate
Great Britain.	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2614	.2620	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3330	.3330	—
Uruguay.	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5861	.5861	—
South Africa.	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand.	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Blich Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

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Mexico

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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JAMAICAN MARKET FOR PAPER AND PAPER PRODUCTS

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, January 28, 1943.—Paper and its various manufactures are a large item in Jamaica's import trade. The demand has moderately but steadily increased in recent years, following the natural increase in the population and the gradual betterment of living standards. For these two reasons a continued expansion of the paper trade in the post-war period can reasonably be expected, especially in view of the plans that have been made by the British and United States Governments to further the economic and social development of their Caribbean territories. The Jamaican market for paper and its products is, therefore, an attractive one.

The aggregate value of imports in 1941 was £212,884, as compared with £210,761 in 1940, £144,063 in 1939 and £131,324 in 1938. The increase shown is, of course, mainly due to the rise in price since the outbreak of war. The 1941 total was about 3.3 per cent of the gross value of the Colony's import trade in that year, and among individual commodities that percentage was the fourth highest, ranking after cotton piece-goods (8.3 per cent), flour (6.5 per cent), and dried salted fish (3.4 per cent).

Owing to wartime conditions, Canada's share in this valuable business has greatly increased. In 1938 it totalled £32,588; in 1939, £24,852; in 1940, £83,419; and in 1941, £139,141, which was about 65 per cent of the value of paper imports from all sources and comprised carboard and millboard, cigarette paper, newsprint, tissue paper, wallboard and compoboard, waxed and greaseproof paper, wrapping paper, unspecified kinds of paper, bags, cartons, playing cards, unspecified paper manufactures, blotting paper, envelopes, manuscript books, writing paper and unspecified stationery made of paper. Detailed figures of imports of these items are given below. In 1938 and 1939 Canada was an

important supplier of only newsprint, containers for Jamaican produce and miscellaneous paper manufactures. The question of retaining after the war the foothold they have gained in this market is of much importance to suppliers in Canada. Following are details of the 1941 imports:—

Paper in Rolls or Sheets: (a) *Cardboard, Millboard and Strawboard.*—Total imports, £8,398: Canada, £7,104; United Kingdom, £1,032. This material is used mainly by bookbinders, printers and manufacturers of containers for cigarettes, confectionery, garments and some other locally made articles. Larger output of containers in recent years, especially since the outbreak of war, has increased the demand for cardboard. Of cigarette packs, only the slides are cut in Jamaica; the other portion is imported ready-made from Canada at present.

(b) *Cigarette Paper.*—Total imports, £3,756: United Kingdom, £3,084; Canada, £412; United States, £169. The total value for 1940 was £1,415; previously this kind of paper was not shown separately in the trade returns. The local manufacture of cigarettes has notably expanded in late years.

(c) *Printing Paper.*—Total imports, £47,161; Canada, £39,131; United Kingdom, £5,188; Newfoundland, £2,816. The total value for 1940 is shown as £48,397; for 1939, £34,708; and for 1938, £33,231. Besides newsprint intended for newspapers, magazines and other periodicals, the 1940 and 1941 figures include considerable quantities of this commodity brought in for other purposes, chiefly for wrapping, from Canada and Newfoundland in place of (so far as wrapping paper is concerned) the "straw" variety formerly supplied chiefly from Holland. The statistics of imports of printing paper for these years, and also for 1938 and 1939, include imports by the Jamaica Government, consisting of appreciable quantities of machine-finished paper for official use. Such imports, and also those of newsprint for wrapping and other uses except for printing newspapers, etc., are separately shown in the detailed customs returns. Deducting both, the values of newsprint imported for printing newspapers, etc., are as follows: 1941 total, £27,344; 1940 total, £20,671; 1939 total, £31,516; 1938 total, £28,579. In 1941, 1940 and 1938 Canada had practically all the trade, but in 1939, although the Dominion was the largest single supplier, there were heavy imports from the United Kingdom. Details of quantities are not available, but it is well known that Jamaica's purchases of newsprint have appreciably declined on account of wartime conditions. Reduction in the size of newspapers, begun in October, 1941, has since been made more stringent.

(d) *Tissue Paper.*—Total imports, £6,827: Canada £6,591; United Kingdom, £128. Toilet paper was the chief item under this heading.

(e) *Wallboards and Compoboard.*—Total imports, £1,196: Canada, £1,021; United Kingdom, £175. The total for 1940 was £3,593; previously these imports were not shown separately. They include fibreboards having an obvious paper or cardboarad content, but not hard prestboard, which is classified under "wallboards, unspecified" (see below).

(f) *Waxed and Greaseproof Paper.*—Total imports, £5,830: Canada, £3,408. The total value of imports in 1940 was £1,278; previously this item (which includes "vegetable parchment") was not separately recorded. The development of the local confectionery-making industry, following wartime curtailment of imports of this commodity, has stimulated the demand for waxed and greaseproof paper.

(g) *Wrapping Paper.*—Total imports, £18,344: Canada, £10,737; Newfoundland, £2,909; United Kingdom, £2,862; United States, £1,834. Kraft in rolls and sheets (which is subject to duty) was the chief kind imported, but these figures include duty-free imports, totalling £2,658 in value, supplied from: Canada, (£1,170); United States, (£912); and United Kingdom, (£576). These

duty-free imports consisted of wrapping paper for use in putting up local agricultural produce, mostly citrus fruit.

The 1940 total for imports of all kinds of wrapping paper so recorded was £41,680; previously this item was not separately classified. The value of the duty-free imports included in this figure, which were brought in for the purposes as noted above, totalled £6,051, of which the United States (£2,167), Finland (£1,233), Canada (£991) and the United Kingdom (£720) were the principal suppliers. In 1939 and 1938, "paper for wrapping fruit" was shown separately, the total values being respectively, £8,831 and £5,072. The United States was the largest supplier in both years, but there were appreciable quantities imported from Norway and Sweden. Normally there is a fair demand in Jamaica for citrus wraps. Imports have greatly declined on account of wartime conditions, which require that the bulk of the citrus exports be shipped in the form of pulp, but this is a temporary condition, and the trade in wraps will one day revive.

In addition to the imports recorded as "wrapping paper" for 1941 and 1940, considerable supplies of newsprint not intended for newspapers and periodicals were brought in in those years. These latter supplies were almost entirely for use as wrapping paper, but they included small quantities for printing handbills, prospectuses, company reports and the like. As noted under (c) above, they were included in the category "printing paper" and were brought in to take the place of European (mostly Dutch) "straw" wrapping paper which had been sold in Jamaica for many years but became unobtainable on account of the war. In 1941 the value of these imports totalled £14,438, of which Canada supplied to a value of £11,607, Newfoundland £2,293, and the United Kingdom £512. The 1940 total was £17,883 (Canada, £12,766; United States, £2,646; United Kingdom, £2,075; Newfoundland, £300).

An official order, effective from January 15, 1941, prohibited the use in Jamaica of this material (and also of paper bags) for putting up canned, bottled or prepackaged goods. See also (a) below.

(h) *Other Kinds of Paper*.—Total imports £4,841: United Kingdom, £3,654; Canada, £1,076. Wallpaper is included in this classification.

Paper Manufactures (a) Bags, Boxes and Cartons.—Total imports, £43,011: Canada, £36,559; United Kingdom, £4,473; United States, £1,848. The 1940 total was £46,243: Canada £22,687; United States, £11,515; United Kingdom, £10,320. Previously these articles were not separately classified except as noted immediately below. In 1941 about one-third, and in the preceding year a somewhat larger fraction, of these imports consisted of cardboard containers for packing Jamaican domestic produce, which enter free of duty irrespective of country of origin. The total value of imports of such containers in 1941 was £14,835, of which Canada is credited with £12,550, the United States with £1,590, and the United Kingdom with £571; the 1940 total was £19,309: United States £8,783; Canada, £6,028; United Kingdom, £3,218; Sweden, £528; the value for 1939 was £19,962: United States, £7,431; United Kingdom, £3,554; Belgium, £3,298; Straits Settlements, £2,716; Canada, £2,017; the total for 1938 was £13,341: United Kingdom £3,972; Belgium, £3,249; Canada, £2,830; United States, £2,081. Containers for putting up aerated waters, beer, cigarettes, condensed milk, matches, rum and some other locally produced articles were the principal items among these duty-free imports. The dutiable imports included kraft grocery bags and bags for bread, confectionery, garments, hats and some other articles, garment and ice-cream boxes, and cardboard containers for miscellaneous purposes. As from January 15, 1941, the use of paper bags for canned, bottled and prepackaged goods was prohibited; see (g) above.

(b) *Blotting Paper*.—Total imports, £405: United Kingdom, £347, Canada, £57.

(c) *Envelopes*.—Total imports, £12,213: Canada £7,477; United Kingdom, £4,004; United States, £332. The total for 1940 was £6,829; previously there was no separate classification.

(d) *Manuscript Books*.—Total imports, £13,699: Canada, £7,803; United Kingdom, £5,869. School exercise books and account books were the main items; the latter are also to a large extent made up by local printeries.

(e) *Writing Paper*.—Total imports, £5,621: Canada, £3,286; United Kingdom, £2,091; United States, £244. Imports in 1940 are shown as valued at £8,688; for 1939, £4,340; and for 1938, £1,422. The relative insignificance of the last-named figure may be due to the fact that in 1938 statistical classification was less exact than it has since become.

(f) *Other Stationery of Paper, Unenumerated*.—Total imports, £7,291: United Kingdom, £4,915; Canada, £1,539; United States, £832. Calendars, diaries, memorandum pads and miscellaneous items are included, but not post cards, which amounted to only £4 in value.

(g) *Playing Cards*.—Total imports, 43,154 packs (£871): Canada, 25,136 packs (£442); United Kingdom, 18,012 packs (£429); the small remainder came from the United States.

(h) *Other Kinds of Paper Manufactures, Unenumerated*.—Total imports were valued at £33,420, of which the United Kingdom is credited with £18,273; Canada, £12,498; and the United States, £2,569. The 1940 total was £24,750: United Kingdom, £10,231; Canada, £8,959; United States, £4,194. Both these totals include (1) duty-free imports made in the ordinary way of trade and (2) those made by the Jamaica Government.

The total value of duty-free imports in 1941 was £3,039, of which Canada is credited with £2,501, the United States with £333 and the United Kingdom with £200. The comparative total for 1940 was £2,319, distributed as follows: United Kingdom, £844; Canada £464; United States, £294.

The duty-free imports included bottle caps, tags, labels, bank notes and cardboard guards for packing fruit. In 1939 and several preceding years the last-named were separately classified, the total value of imports in that year being £1,857 as against £610 in 1938. Holland was the chief supplier.

Imports by the Government in 1941 were valued at £9,918, of which the United Kingdom supplied to the value of £9,681, the small remainder coming from Canada and the United States. For 1940 the total value was £6,832, of which the United Kingdom is credited with £3,716 and Canada with £3,116.

The government imports consisted of paper products not elsewhere classified brought in for the use of the several public departments.

INCREASED CEILING PRICES FOR MAPLE SYRUP IN UNITED STATES

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, February 12, 1943.—In view of the fact that the March, 1942, individual packer ceiling prices for maple syrup reflected the 1941 production costs, which were 30 per cent lower than those for 1942, the Office of Price Administration has announced dollar-and-cents maximum prices for packer sales of maple syrup at new levels. At the same time the Office of Price Administration set maximum prices for sales by producers to packers. As a result of the new orders, prices to consumers who buy direct from packers will be about 6 cents a pound higher than they were under the General Maximum Price Regulations of March, 1942.

The maximum price for direct packer sales to consumers of Grade A or better maple syrup (12-ounce jar) is 38 cents, f.o.b. packer's plant.

On January 8 the Office of Price Administration set ceiling prices for maple syrup sold by wholesalers and retailers by establishing fixed margins over net costs. This was followed by order MPR312 (maple syrup), effective February 2, which permits the direct-selling packer only one mark-up. Fixed dollar-and-cents ceiling prices also were set for producer sales to packers, retailers and consumers, and for packer sales to wholesalers or retailers.

Under the new regulations, producers' ceiling prices for standard 36-degree Baume "fancy" maple syrup on sales to packers are set at 19 cents a pound. This is equivalent to \$2.09 for the standard U.S. gallon weighing 11 pounds. Maximums, in conformity with the customary industry practice, are 1 cent a pound cheaper for each lower grade. Differentials are also provided for syrup the density of which deviates from the standard 36 degrees. Furthermore, on sales other than those to packers the producers are allowed the same prices as those allowed to packers on their sales.

The new order sets maximum prices for packer sales of maple syrup in containers, in bulk and for "flavouring" maple syrup. Specific ceilings are set on packaged sales made by the packers to each class of purchaser. Maximum prices for sales to wholesalers were calculated by determining the 1941 weighted average selling price by grade and size of container of representative packers to these wholesale merchandisers and adding to such prices sufficient to cover increased costs since 1941. This is expected to provide packers with the same dollars-and-cents margin as in 1941.

BUSINESS CONDITIONS IN THE UNITED STATES IN 1942

D. S. COLE, CANADIAN TRADE COMMISSIONER

II

AGRICULTURAL SITUATION

During 1942 the United States had an exceptionally well-balanced harvest that included record crops of food grains, feed grains, hay and forage, fruits, and commercial vegetables. Farmers enjoyed increased prosperity, due to price increases and heavy demands for foods for the armed forces and for lend-lease purposes. It is expected that more than 25 per cent of the 1943 crop output of foodstuffs will be requisitioned for the armed forces and lend-lease purposes. Although farmers will enjoy the highest income in history in 1943, they will have to work harder than ever before on account of labour shortage.

FARM INCOME

Total farm income from marketings and government payments for 1942 was \$16,064,000,000 as against \$11,830,000,000 in the previous year, an increase of 35.5 per cent. The increase is attributed almost entirely to increased income from marketings, although government payments were above those of 1941.

The Bureau of Agricultural Economics estimates cash income from marketings, exclusive of government payments, at \$15,384,000,000 in 1942 as compared with \$11,244,000,000 in 1941, a gain of 36.6 per cent. All crops recorded increases in income, the largest being from marketings of vegetables, cotton and cotton seeds, feed grains, hay, and food grains. Large gains were recorded for all items in the live-stock and live-stock products class, the greatest increase being in income from the sale of meat animals, dairy products, poultry, and eggs.

Government payments for the year are estimated at \$680,000,000, or 16 per cent above the total of \$586,000,000 in 1941.

WHEAT

In a recent report by the Crop Reporting Board of the Department of Agriculture it was indicated that the 1942 production of all wheat would be

981,327,000 bushels, the second largest crop on record, as against 943,127,000 bushels in 1941, a gain of 4 per cent, and over 30 per cent above the 1930-39 average production of 747,507,000 bushels. The total area of all wheat harvested was 49,404,000 acres as compared with 55,642,000 acres in 1941, a decline of 11 per cent, and showed about the same percentage reduction from the 1930-39 average of 55,743,000 acres.

Winter-wheat production is placed at 702,253,000 bushels as compared with 570,709,000 bushels in 1941, an increase of 22.7 per cent. The area of winter wheat harvested was placed at 35,666,000 acres, or 10 per cent below the 1941 area of 39,485,000 acres. However, the 1942 yield per acre was 19.7 bushels as compared with 17 bushels per acre in 1941 and accounted for the large crop of winter wheat.

Production of all spring wheat was estimated at 278,074,000 bushels, which was 2.2 per cent above the 1941 crop of 272,418,000 bushels. The area harvested was 13,798,000 acres, or 2,359,000 acres below the 1941 area of 16,157,000 acres. The higher production figure was due to an increase in the yield from 16.9 bushels in 1941 to 20.2 bushels per acre.

Durum wheat production accounted for 44,660,000 bushels of all spring wheat produced and exceeded the 1941 figure of 41,653,000 bushels by 7.3 per cent. The area harvested in 1942 totalled 2,109,000 acres as compared with 2,524,000 acres in 1941, a decline of 12 per cent. However, the yield per acre of durum wheat increased to 21.2 bushels from 16.5 bushels in the previous year.

Stocks of wheat on farms on January 1, 1943, were estimated at 494,662,000 bushels, or 50.4 per cent of the 1942 crop, as compared with 372,809,000 bushels on January 1, 1942. The present storage of wheat on farms is the largest on record for that date.

CORN

The 1942 corn crop set an all-time record high for total production, amounting to 3,175,154,000 bushels as compared with 2,677,517,000 bushels in 1941, a gain of 19 per cent. The crop was 105,000,000 bushels greater than the previous record of 3,070,604,000 bushels in 1920. The total area in crop was 89,484,000 acres as against 86,186,000 acres in 1941, a gain of 3.5 per cent. The average yield for 1942 was 35.5 bushels per acre as compared with 31.1 bushels in 1941 and the previous record yield of 31.7 bushels set in 1906.

Stocks of corn on farms on January 1, 1943, amounted to 2,277,332,000 bushels, the largest January 1 stock in 17 years of record, and equivalent to 78.9 per cent of the 1942 production. The stocks as of January 1, 1942, totalled 2,016,404,000 bushels, or 82.8 per cent of the 1941 crop.

COTTON

The cotton crop for the current year is placed at 12,982,000 bales as against 10,742,000 bales for the previous year, an increase of 20.5 per cent. The total supply of cotton, i.e. "free" stock, on August 1, 1942, plus new production, is placed at 18,804,000 bales as compared with the 1941-42 supply of 16,388,000 bales, a gain of 13 per cent. Domestic consumption of cotton for this season is estimated at 11,400,000 bales, the largest on record, as compared with 10,974,000 bales last year. The domestic carryover of "free" American cotton at the end of this season will be approximately 4,100,000 bales as compared with 5,922,000 bales at the beginning of the period, a decrease of 30 per cent.

COMMODITY PRICES

The *Journal of Commerce* general commodity index advanced 5 points, from 97.6 on December 27, 1941, to 102.5 on December 26, 1942. From

January to June there was a steady increase in the general commodity index; this was followed by a slight decline in August and September, but in October there was another increase that continued through to the end of the year.

The following table, compiled by the *Journal of Commerce*, shows the commodity price level (1927-29 equals 100) at the end of 1942 as compared with the level at the close of 1941:—

United States Commodity Price Index

	Dec. 26, 1942	Dec. 27, 1941
Grains..	102.5	90.3
Foods..	107.4	92.8
Textiles..	104.5	99.1
Fuels..	101.1	96.9
Iron and steel..	105.2	105.2
Non-ferrous metals..	88.6	87.1
Building material..	137.3	124.7
Paint materials..	103.0	95.5
Chemicals..	88.8	81.5
Pulp and paper..	105.5	102.9
General index..	105.2	97.6

It was hoped that, under the General Maximum Price Regulations, issued in April, the Government, through the Office of the Price Administrator, would be able to control the steady rise in prices and keep them under the March ceilings. The rise in the cost of nearly all items (with the exception of foodstuffs), particularly farm products, over which there was no control, was held in check. However, the prices of foodstuffs showed the largest increase among commodity prices. Prior to introduction of the price control, the cost of living for items other than foodstuffs was advancing at the rate of $1\frac{1}{2}$ per cent a month, whereas the total advance since May has been little more than 2 per cent.

It is estimated that in 1942 the anti-inflation drive of the Office of the Price Administrator saved consumers about \$5,000,000,000 and it is expected that in 1943 an additional \$18,500,000,000 will be saved.

Price control in 1943 appears to tend towards a dollar-and-cents fixed mark-up system, supplanting the General Maximum Price Regulation.

EMPLOYMENT

The great industrial and military expansion in the United States during 1942 has brought about a manpower scarcity. Although the civilian labour force remained fairly stationary, not taking into account seasonal changes, the number of employed workers increased by about 3,000,000 on a monthly average basis, while unemployment, similarly measured, decreased to the same extent. During the year the armed forces of the country increased by several millions. This increase caused a heavy drain on the civilian labour force, which was offset by recruiting several millions of new workers into the labour ranks.

Most of the new additions to the civilian labour force were women, and the records indicate that, while the number of employed men declined by almost 1,200,000, the number of women rose to 1,400,000. Total employment at the close of November was placed at 59,000,000 workers as against 53,000,000 at the end of November, 1941. The increases were principally in the industrial and armed-service groups.

At the close of the year it was estimated that unemployment had been reduced to about 1,500,000, of which 1,000,000 will remain unemployed.

Estimates for 1943 place the nation's total manpower needs at 65,000,000, which would indicate that 5,000,000 persons not ordinarily included in the labour force will be required this year. The majority of industrial recruits will have to be women, and by the end of 1943 they will hold 30 per cent of the

jobs in war industries and 45 per cent of those in other industries, exclusive of agriculture.

FINANCIAL SITUATION

While finance is playing a less important role during the present war than heretofore, nevertheless, the financial needs of this war have made tremendous demands on the United States financial system, particularly on the banks. The national debt increased by almost fifty billion dollars during 1942, despite the imposition of heavy taxes. Although the Treasury Department, with the aid of the banks, has endeavoured to stimulate the sale of government bonds to individuals, the commercial banking system has had to absorb about 50 per cent of the increase in debt.

One of the outstanding features of the year financially was the success of the Government's plan to borrow \$9,000,000,000 in December; by the end of December over \$12,000,000,000 had been raised. One of the principal objects in connection with the loan was to obtain a large proportion of the funds from non-banking sources; this was achieved, as over 59 per cent of the total was accounted for in this way.

BANK RESERVES, DEPOSITS AND LOANS

As a result of the war, coupled with increased expenditures by the Government, there has been an increase in holdings by the banks of government securities and a corresponding increase in the volume of deposits.

The excess reserves of the member banks of the Federal Reserve System at the end of December, 1942, were placed at \$1,656,000,000 as compared with \$3,085,000,000 at the close of 1941. Demand deposits of the principal member banks rose from \$23,650,000,000 at the beginning of the year to \$28,257,000,000 at its close.

Loans and investments of the principal member banks on December 30, 1942, amounted to \$41,467,000,000 as compared with \$43,521,000,000 a year ago, a decrease of \$11,382,000,000. Total investments during the past year amounted to \$31,146,000,000 as against \$18,215,000,000 in 1941. Government investments accounted for \$27,832,000,000 of the total as compared with \$16,137,000,000 in the previous year. Bank loans at the end of 1942 totalled \$10,321,000,000, or \$1,049,000,000 below the 1941 total of \$11,370,000,000.

BANK CLEARINGS

The exchange of cheques at the principal clearing houses of the United States in 1942 totalled \$413,413,232,857, a gain of 10·7 per cent over the 1941 amount of \$373,148,269,548.

Clearings in New York City for 1942 aggregated \$192,939,495,159, an increase of 5·3 per cent over the 1941 total of \$183,263,229,389. Cheque clearings for the country outside of New York City were \$220,473,737,698 as compared with \$189,885,040,159 in 1941, a gain of 15·8 per cent.

NEW FINANCING

Security financing for 1942 totalled \$1,277,015,384 as against \$2,580,798,535 in 1941, a decline of 50·5 per cent. Of the total securities offered, \$676,264,700, or 52·9 per cent, was for refunding purposes as compared with \$1,277,915,383 in 1941; the remainder, \$600,264,700, was for new capital. State and municipal financing accounted for 51·8 per cent of the total, while new capital for industrial financing accounted for 37·1 per cent. Railroad and public utility financing accounted for 5·3 and 1·5 per cent, respectively, of the new financing. Bond issues amounted to \$1,232,023,761, while stock issues totalled \$44,569,748. The corresponding figures for 1941 were \$2,260,879,654 and \$315,918,881.

As in the previous year, state and municipal securities issued in 1942 led with a total of \$437,397,701, although this figure was considerably below the 1941 total of \$864,154,385. Public utility issues declined to \$237,054,000 from \$583,844,976 in 1941. Industrial offerings of stocks and bonds amounted to \$253,450,857 as compared with \$542,955,369 in the previous year, and railroad offerings fell to \$41,440,000 from \$283,526,000 in 1941. Stocks and bonds for financial purposes totalled \$305,105,951 as against \$283,342,305 in the previous year. There were no issues of foreign bonds in 1942, although in 1941 foreign bonds valued at \$4,000,000 were offered in the United States market.

FOREIGN TRADE

According to a recent statement by the Bureau of Census of the United States Department of Commerce, the value of United States exports in 1942 was in excess of the value in either 1917 or 1918, when the nation was actively engaged in the first world war. Although imports in 1942 showed a decline as compared with those in the previous year, they were greater than in either 1917 or 1918.

The value of United States exports in 1942 amounted to \$7,826,000,000 as compared with \$5,146,000,000 in 1941, a gain of 52 per cent. The comparative figure for 1917 was \$6,234,000,000 and for 1918 it was \$6,149,000,000. The 1942 total was exceeded in 1919 and 1920 only, the two peak years in United States export history, when the totals were \$7,920,000,000 and \$8,228,000,000 respectively. While the 1942 figures do not include shipments to United States armed forces abroad, they do include lend-lease goods shipped to the United Nations, which accounted for almost 75 per cent of the total exports.

In contrast with the expansion in exports there was a decline in the value of imports. The value of 1942 imports amounted to \$2,743,000,000, a decrease of 18 per cent from the 1941 total of \$3,345,000,000; this compares with a total of \$2,952,000,000 in 1917 and \$3,031,000,000 in 1918. The peak year for United States imports was 1920, when the total value was \$5,278,000,000.

The excess of exports over imports in 1942 totalled \$5,083,000,000, the largest on record, as compared with \$1,801,000,000 in 1941.

LEND-LEASE AID

The most recent statement by the United States Lend-Lease Administrator indicated that for the period from March, 1941, through December, 1942, the Allies had been supplied with \$8,253,000,000 worth of goods under lend-lease aid. In addition the Allies purchased to a total value of \$6,900,000,000 with their own funds. The total for 1942 was \$7,009,000,000, or more than five times the total for 1941.

Of the total lend-lease aid, \$6,548,000,000 represented goods transferred (of which \$5,959,000,000 actually had been exported), including \$3,300,000,000 worth of military items. The remaining \$1,705,000,000 was spent for services rendered and included the rental and charter of ships, expansion of industrial facilities, repair of allied warships, air-ferry routes and air-pilot training.

The United Kingdom received the greatest proportion of lend-lease aid, totalling \$3,959,950,000. The British dominions and territories received a total of \$2,393,193,000, while Soviet Russia was given \$1,532,230,000. China, because of the difficult supply situation, received aid to a value of only \$156,738,000 and \$210,622,000 went to other countries.

Food products accounted for \$6,547,679,000 of the lend-lease aid, military items for \$3,709,466,000, industrial items for \$1,570,660,000, and services rendered for \$1,705,054,000.

RAILWAY SITUATION

The railways established new records in 1942 in the volume of both freight and passenger traffic and are preparing to meet even greater demands this year. Increased war production and larger armed forces will result in heavier freight and passenger traffic.

For 1942 the total operating revenues of the railways are estimated at more than seven billion dollars, and net income at between 900 million and one billion dollars; this compares with 500 million reported in 1941 and 896 million net in 1929, the record year to date. The operating ratio for 1942 was 61·96 as compared with 67·48 in 1941, indicating smaller percentage rise in costs than in revenue.

According to the American Association of Railroads, the volume of freight traffic in 1942 amounted to 630 billion ton-miles, an increase of 155 billion ton-miles, or almost 33 per cent, above the previous high, established in 1941. The volume of passenger traffic set a new high in 1942 and amounted to 53 billion passenger-miles. This was 13 per cent above the previous record, established in 1920, and 80 per cent over the 1941 total. Although the railways had 27 per cent fewer cars in operation in 1942 than in 1918, they carried 55 per cent more freight.

CAR LOADINGS

The Association of American Railroads reports that revenue freight car loadings during 1942 totalled 42,818,739 cars as against 42,289,764 cars in 1941, a gain of 528,975 cars or 1·3 per cent. Gains ranging from 7·1 per cent to 14·4 per cent were recorded for all groups except merchandise l.c.l., which declined by 30 per cent.

OUTLOOK FOR 1943

If 1942 was a "50 billions war job", 1943 will be a 90 to 100 billion dollar war effort in the United States. This means that production for war alone will have to equal in value all the goods and services produced in the busiest year before the war. If this objective is attained, the United States will be producing twice as much as the Axis nations and about as much as all the rest of the world combined. The chief problems facing the country will be those of manpower, materials, transportation, fuel or power, and capital equipment, all of which are becoming increasingly scarce.

AUSTRALIAN TRADE AND ECONOMIC NOTES

L. M. COSGRAVE, CANADIAN TRADE COMMISSIONER

Australian Plans for Food Storage

Sydney, December 16, 1942.—Increased production of Australian food for dehydration and canning is receiving the immediate consideration of the Australian Cabinet. Every method of food preservation is being fully examined, with the object of making Australia the main food arsenal in the Southern Hemisphere. It is understood that the Commonwealth will concentrate particularly on dehydration of mutton, thus eliminating the necessity for reducing Australia's sheep flocks. Under the new food plan maximum quantities of mutton and lamb will be required, and in this connection experts have arrived in Australia from the United States to confer with and advise the Ministry for Supply.

Following extensive investigations, the Meat Industry Commission had concluded that a fairly good class of mutton is required to produce a dehydrated product of satisfactory quality, and third-grade export quality has been selected as the minimum grade to be used for dehydration.

Installations of dehydration units at killing and freezing works are contingent, however, upon such plans meeting the Australian Department of Commerce standards for cleanliness and efficiency.

Australian War Metals Supply

A United States Mission has arrived in Australia to arrange for the purchase and transport of a wide range of Australian minerals required in United States essential war industries. The minerals to be supplied by Australia include zinc, lead, tin, tantalite, rutite and alumina. The mission is also interested in long-range aspects of new developments and mining projects in Australia, with a view to an increased output of the foregoing minerals.

Officials of the new mission will be located in the capital, Canberra, and Sydney. It is understood that the mission will operate independently of lease-lend or reciprocal lease-lend agreements between Australia and the United States.

Indices of Wages and Cost of Living

As at September 30, 1942, the index of Australian retail prices had risen by 21·2 per cent above the average for the last pre-war year, 1938-39. Recent figures published by the Commonwealth Statistician also show that, as compared with the 1938-39 figures, export prices have risen by 34 per cent, wholesale figures by 35·7 per cent, food and groceries by 15·4 per cent, housing, clothing and sundries by 21·2 per cent, and hourly wage rates for adult males by 18·5 per cent.

The rise in wholesale prices was, therefore, much higher than the advance in wage rates, but the Commonwealth Statistician points out that the latter have kept pace reasonably well with the cost-of-living index.

Savings Bank Deposits in Australia

Savings bank deposits in Australia have increased from £245,587,000 in June, 1939, to £295,396,000 in September, 1942, or by £49,809,000 during the war period. In addition a net amount of £28,567,000 has been invested in war savings certificates during the period March, 1940, to September, 1942.

Deposits, advances and securities of all cheque-paying banks in Australia, including the Commonwealth Bank, compare as follows: In September, 1939, deposits were £383,000,000 and advances £337,000,000, with government securities, including Treasury bills, amounting to £96,000,000. The September quarter of 1942 shows total deposits of £491,000,000, with advances of £313,000,000 and government securities, including Treasury bills, of £216,000,000. These figures exclude savings bank deposits.

Australian Wool Returns

Since the original war agreement with the British Government in respect of wool and sheepskins, Australia has received £188,449,589 for wool and £3,704,072 for sheepskins.

Payments for the current season already amount to £19,370,712 and there will be an additional distribution shortly of £2,454,791. The average appraised price for greasy wool for this season's clip was 13·81d. per pound, the New South Wales average being 13·58d.; Victoria, 14·23d.; Queensland, 14·72d.; South Australia, 12·68d.; Western Australia, 13·37d.; and Tasmania, 15·52d.

The average appraised price for this season for greasy wool reflects approximately the 15 per cent advance in the British contract price for this season's wool clip. Last year the average was about 1¼d. per pound lower. The difference in average appraised price received in New South Wales and Queensland.

the leading wool states, indicates the more favourable growing conditions in the northern as compared with those in the southern states. It should be noted further that before the war Queensland wool was almost wholly of the merino type, thus providing a higher average than the New South Wales clip, which in the pre-war period was approximately 9 per cent crossbred. Recent reports show that the New South Wales clip has now increased to 14 per cent crossbred, due largely to the increase in fat-lamb raising and the higher price paid for lamb as compared with mutton.

Compulsory Enrolment of University Students for Rural Work

University students in Australia, except those in faculties directly connected with the war effort, must register with the manpower authorities for rural work during the long summer vacation.

For some time past volunteers have been called on to assist in rural work, particularly harvesting of fruit and flax, but the scheme is now compulsory for all students, whether men or women, who will be under the same manpower control that applies to all other called-up workers. An Appeal Board will function in respect of applications for exemption on the grounds of ill-health or hardship, but very good reason will be required to obtain exemption.

In fruit-picking districts men will live in camps and women will be accommodated in hostels or be billeted in private homes. Members of the university staff will co-ordinate their activities, but students will be responsible for most of their own organization and recreation facilities.

Appointment of Australian Federal Director of Agriculture

The Australian Government has appointed a Federal Director of Agriculture for the first time since federation. Formerly all agricultural matters were controlled primarily by the individual states, although the Australian Agricultural Council, which meets periodically in the capital, has served to correlate the activities of the various states to some extent.

The new Federal Director, formerly Minister for Agriculture in Queensland, will be provided with a staff of technical and scientific experts, and in consultation with the federal departments and the Australian Food Council will determine the requirements in the Commonwealth of various primary products and devise and direct policies designed to provide an adequate supply of all necessary food products. A consultative committee will also be established to formulate a long-range policy for agriculture as a whole, covering both food and fodder crops and non-food crops such as wool, cotton and tobacco.

New War Damage Provisions in Australia

Important changes in details of the National Security (War Damage to Property) Regulations were gazetted in November. One amendment provides that building societies that have advanced money to members by outside mortgage loans may recover from the mortgagees the proportion of the war damage contribution payable by the society to members.

For the purpose of assessing compensation and deciding on the amount of contributions, the value of fixed property has been set at the level prevailing on January 1, 1942.

Free cover on institutions such as churches, hospitals, universities and public art galleries has been extended to the stock of these institutions as from January 1, 1943. In addition free cover has been extended, retrospective to February 23, to public museums and art galleries not carried on for profit and to welfare centres for servicemen. A new regulation also prevents "contracting out" of the scheme.

Increased Taxation in Australia

According to the Commonwealth Statistician, aggregate taxation of the Commonwealth and states for the year ended June 30, 1942, was £33 3s. 3d. per head as compared with £17 19s. 7d. in 1938-39.

The total tax collection was £236,694,823 as compared with £124,565,180. The Commonwealth collected £179,435,345 as compared with £74,036,899 in the period 1938-39, while collections by the states totalled £57,259,281. Collections do not include those of the various governmental business undertakings.

Of the rise of £112,129,643 in collections, income tax provided an additional £74,560,509. Most of the remainder came from £15,100,099 additional excise and £17,521,751 additional sales tax. By the introduction of the pay-roll tax, £8,962,464 was provided.

SECOND OFFICIAL ESTIMATE OF ARGENTINE GRAIN PRODUCTION FOR 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché, Buenos Aires, reports that the second official estimate of grain production in Argentina for 1942-43 was announced by the Argentine Department of Agriculture on January 21. According to this report the estimated production for the current year will be as follows: wheat, 235,136,000 bushels; flaxseed, 61,417,200 bushels; oats 45,395,000 bushels; barley, 16,075,000 bushels; rye, 5,826,760 bushels; and birdseed, 26,900 short tons.

ARGENTINE CORN ACREAGE, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché, Buenos Aires, reports that the Argentine Department of Agriculture has recently issued its first estimate on the corn acreage for 1942-43. According to this report, the area sown to corn is 10,127,000 acres as compared with 12,350,000 acres in 1941-42 and the five-year average of 14,653,761 acres, a reduction of 18 per cent as compared with the figure for the previous year.

The reduction in the current corn acreage was due principally to the poor market prospects for this grain and unfavourable weather conditions in certain areas at seeding time. There was a large surplus of unsalable corn already in the country, the chief outlet being for use as fuel in industrial plants. Further, the Government intimated that it would not continue to purchase unlimited quantities of corn, which probably contributed to the reduction in corn sowings.

Prolonged drought conditions in Argentina have seriously affected the corn crop; recent reports from all zones are that the crop is poor. In some of the important zones in the provinces of Santa Fe, Cordoba and Northern Buenos Aires current indications are that the crop will show a loss of more than 50 per cent.

BOLIVIAN BUDGET FOR 1943

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Santiago, February 3, 1943.—The Bolivian Government recently passed a decree approving the budget requirements for 1943. In addition to the estimates of receipts and expenditures, the decree included a notification of a proposed survey to provide a basis for a reduction in the number of government positions. Minors may no longer occupy public posts, and foreigners are to be permitted to hold public positions by virtue only of a special contract authorized in each case by Governmental Supreme Resolution.

Of expenditures in 1943 estimated at 1,226,872,871 bolivianos, the following are the principal services for which funds are required: state obligations,

293,269,959 bolivianos; national defence, 246,000,000 bolivianos; education, 168,000,000 bolivianos; public works, 95,682,360 bolivianos; government, 88,809,737 bolivianos; social welfare, 58,508,106 bolivianos; health, 52,078,107 bolivianos. Expenditures in 1942 totalled 957,099,780 bolivianos.

Total revenue in 1943 to meet the estimated expenditures of 1,226,872,871 bolivianos is to be derived from: direct and indirect taxes, 1,140,277,166 bolivianos; miscellaneous income, 57,469,705 bolivianos; national services, 16,026,000 bolivianos; and national properties, 13,100,000 bolivianos. The corresponding total for revenues in 1942 was 847,099,780 bolivianos.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

TARIFF CHANGES AND TRADE REGULATIONS

Trinidad

IMPORT LICENCES FOR FOODSTUFFS FROM SOUTH AMERICA

A notice issued by the Trinidad Control Board on January 27, 1943, states that applications would be considered for the importation from South America of onions, table butter, coriander seed, garlic, sausages, beans, peas, peanuts, barley, cheese, tassajo, canned hams and canned sausages.

LICENCES FOR INCREASED IMPORTS OF PROPRIETARY MEDICINES

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that a notice issued by the Trinidad Control Board on November 16, 1942, allowing the importation of all proprietary medicines on the basis of the average c.i.f. value of imports during 1938 and 1939 and modified on January 23, 1943, permitting a 25 per cent increase over the 1938-39 average, has been further amended on February 5, 1943, allowing a 50 per cent increase owing to destruction by fire of a portion of the Colony's stocks.

Barbados

IMPORT CONTROL REGULATIONS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports on February 4, 1943, that the Barbados Control Board has issued the following notices: (1) Licences will be granted for the importation of paper cord from the United States; (2) licences will be issued for the importation of smoked meats, peanuts, and split peas from South America; (3) licences will be issued for the importation of all goods from the United Kingdom within the quota allotted, excepting those articles which are already on the prohibited list.

Newfoundland

STOCKS OF SALT TO BE DECLARED

Mr. R. P. Bower, Acting Canadian Trade Commissioner at St. John's, Newfoundland, advises that an order has recently been issued in the Defence (Salt Supply) Regulations, 1942, compelling all persons, whether merchants or fishermen, who hold or have on order not less than 20 hogsheds of salt on February 27, 1943, to make a return to the Chairman of the Newfoundland Fisheries Board. This step has been taken in compliance with the requirements of the various authorities controlling the allocation of shipping space and in order to estimate and endeavour to arrange for tonnage for necessary importations. The order covers stocks of salt held in Newfoundland and Labrador and also quantities en route and any further quantities contracted for. The

regulations prescribe heavy penalties for failure to make a return or for making an inaccurate return.

DUTY ON POTATOES SUSPENDED

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, cables that the duty of 29 cents per bushel on potatoes, which had been suspended from April 16, 1942, to July 31, 1942, was again suspended on February 15, 1943, until further notice.

Ecuador

AIR EXPRESS SHIPMENTS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes under date January 25, 1943, that, according to advice received from the Directorate General of Commerce in Quito, Ecuador, the regulations covering importations by air are the same as those for parcel-post packages, the air express receipt replacing the postal one. When the value of the shipment does not exceed \$40 no consular invoice is necessary, and the air express receipt is sufficient. When the value of the shipment exceeds this amount, a consular invoice must be supplied if there is a Consul of Ecuador at the point of despatch. At present there is only one Ecuadorean Consul in Canada, Mr. Henri Comte, 2117 Kimberley street, Montreal.

For shipments from other points in Canada, the consular invoice is replaced by the air express receipt, which does not require consular legalization. To obtain the benefits of the rebates in duty provided for on many items in the tariff of Ecuador and in commercial agreements concluded with Ecuador, it is necessary that all imports, irrespective of value, be accompanied by a certificate of origin (see *Commercial Intelligence Journal* No. 2034: January 23, 1942, p. 72). These certificates may be issued by a Canadian Chamber of Commerce or Board of Trade and only need a consular legalization if shipment is made from a point where an Ecuadorean consul is located, i.e., Montreal.

Chile

CERTIFICATES OF ORIGIN

The Consular Department of the Chilean Ministry of Foreign Affairs has advised Mr. M. J. Vechsler, Canadian Trade Commissioner in Santiago, under date January 28, 1943, that all goods imported into Chile must be accompanied by a certificate of origin. This certificate is required for exchange control purposes, in which case consular legalization is not strictly necessary. If, however, the goods covered by the certificate are accorded special customs treatment (i.e. reduced conventional duties), it must be legalized by a Chilean consular official. Since it is difficult to determine beforehand what goods are accorded special customs treatment, the Chilean Consular Department states that it is advisable for Canadian exporters to provide a certificate of origin legalized before a Chilean consular official for all goods shipped to Chile. Chilean consular officials are located in Toronto and Montreal.

Canadian goods imported into Chile are entitled to any reduced or conventional rates in force in that country under the most-favoured-nation clause of the Canada-Chile Trade Agreement of September 10, 1941. For the same reason consular legalization of all certificates of origin for Canadian goods, irrespective of the purpose for which they are issued, is given free of charge, provided no more than three copies are presented for legalization.

BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland), 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

EXCHANGE CONDITIONS IN CHILE AND BOLIVIA

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Chile

Santiago, February 5, 1943.—There has been practically no change in the United States dollar exchange rates during the past three months. The official, or special, rate remained at 19·37 pesos to the United States dollar, the export rate at 25 pesos and the D.P. rate at 31·12 pesos. Import and exchange control continues in effect.

At the beginning of 1942 some imports from the United States were still being authorized at the export rate of 25 Chilean pesos to the United States dollar, but as from March 1 the Control Board decreed that all imports must be paid for at the D.P. rate with the exception of sugar, benzene, gasoline, Diesel and crude oils, and mineral and lubricating oils. Certain other commodities were given proportionate rates, such as asbestos, for which 50 per cent was payable at the D.P. rate of 31 pesos and the remaining 50 per cent at the export rate of 25 pesos. For raw cotton imports, for example, payment was fixed at 65 per cent export rate and 35 per cent D.P. rate. Later in the year varying proportionate rates were applied to benzene, paraffin, etc.

Although sufficient supplies of "white-washed" dollar exchange, including "D.P.", "agricultural" and "mining" dollars, were available during the first half of the year, a near shortage occurred when the Central Bank, under the Emergency Law of July 18, 1942, purchased some U.S.\$7,000,000. This law reaffirmed the right of the Central Bank to buy and sell foreign exchange. Approximately \$3,000,000 of this amount was used to reduce Chile's unfavourable balance of trade with Brazil, and it is reported that the remainder was used to purchase gold in the United States. Commercial banks were able to satisfy demands of their clients at all times for this class of exchange.

Bolivia

Since the establishment of a "single" rate of exchange by Supreme Decree of June 21, 1941, Bolivian exchange rates have not undergone any important

changes. The pound sterling has been maintained at 186.54 bolivianos and the United States dollar at 46.46 bolivianos. The Swiss franc is quoted at 12.30 bolivianos, which rate has been maintained since November, 1941.

During the third quarter of 1942 the Central Bank of Bolivia and the commercial banks sold exchange to the value of U.S.\$7,940,652.54. During the first six months of the year, sales amounted to U.S.\$12,398,283.16, making a total of U.S.\$20,338,935.70 for the first nine months of 1942. Of this total, U.S.\$18,835,345 were in payment for imports and U.S.\$1,503,590.70 for services.

There is apparently an ample supply of exchange to meet present requirements. In December, 1942, the Import-Export Bank of the United States entered into an agreement with the Government of Bolivia for a loan of U.S.\$15,000,000 to be used in public works development.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 15, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 15, 1943, and for the week ending Monday, February 8, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 8	Nominal Quotations in Montreal Week ending Feb. 15	Official Bank Rate
Great Britain.	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2620	.2625	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3330	.3330	—
Uruguay.	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5861	.5861	—
South Africa.	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand.	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

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CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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DOCUMENTARY PROCEDURE FOR TRANSHIPMENT AT BARBADOS

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, February 13, 1943.—Arrangements have been completed for the transhipment of cargoes for the Leeward and Windward Islands at Barbados. Canadian exporters to those colonies should observe the following documentary procedure:—

1. It is recommended that Canadian exporters quote c.i.f. port of transhipment.

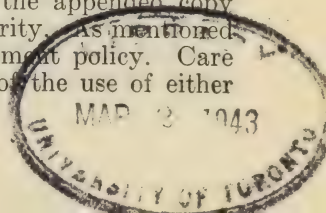
2. Documents should comprise draft, two approved customs invoices with certificates of origin, insurance certificates, and three negotiable bills of lading.

3. The documents, with the exception of one negotiable bill of lading, should be sent direct to the bank in the colony of final destination with the information that the documents are subject to additional transhipment charges collectible by the bank from the consignee.

4. One negotiable bill of lading should be sent to the Pool Authority at Barbados, together with *full* particulars as to what insurance arrangements have been made to cover the cargo.

5. The Pool Authority will distribute bills of lading to the steamship agent responsible for the particular island for which the cargo is destined. The local bill of lading, together with a statement of charges incurred, will be sent forward by the carrying vessel for the attention of the bank in the colony of destination. This bank will have to be debited by the bank at the transshipping point for the charges in question. To these charges the bank will add its own fee of \$2.

6. Charges for transhipment services are indicated in the appended copy of a circular issued to shipping companies by the Pool Authority. As mentioned in this circular, shippers should secure an "all in" transhipment policy. Care should be taken that the policy is so worded as to permit of the use of either a sailing vessel or steamer from the transshipping point.



Following is a copy of the circular referred to above:—

TRANSHIPMENT AT BARBADOS

Barbados, January 27, 1943.—As you may have heard, the arrival of large quantities of cargo for each island to be transhipped by many agents here, each acting on behalf of individual importers at yours, has led to much confusion in our steamers' warehouses. In order to overcome this, our Government, acting through the Schooner Pool Authority, has decided that all cargo for each island must be handled by one transshipping agent only, and allocations have been made as under:—

St. Kitts	Gardiner Austin & Co. Ltd.
Montserrat	Robert Thom Ltd.
Antigua	Robert Thom Ltd.
Dominica	S. P. Musson Son & Co. Ltd.
St. Vincent	S. P. Musson Son & Co. Ltd.
St. Lucia	Da Costa & Co. Ltd.
Grenada	Da Costa & Co. Ltd.

The following new scale of transshipping charges has been fixed:—

	Per Ton
Shipments up to 25 tons	\$1.50
Shipments of 26 to 50 tons	1.25
Shipments of 51 tons and upwards	1.00
Minimum charge for any one shipment	5.00

N.B.—Shipments here refer to those made from Barbados by schooner or steamer, so that, if less than 25 tons is got off at one time, the charge is \$1.50 per ton and so forth.

The above to include cartage, warehousing, tally clerks, etc., and fire insurance on goods that might remain here over 15 days, but any cooperage or other expenses are additional. However, please note that no insurance coverage is obtainable here against damage caused by enemy action, and consequently this risk must be carried by you.

Documents.—You must send original bills of lading to the Pool Authority in Barbados as early as possible. Invoices are no longer required, as charges are on tonnage basis.

Competent Authority.—In order to make transshipping quicker and more efficient, we understand that a Competent Authority has been appointed in each island, who will collect from you all bills of lading and to whom all transshipments will be consigned.

Insurance.—In the absence of any specific instructions from shippers or from yourselves, we shall take it for granted that all shipments are insured against *marine war risk* through to destination, including unlimited transshipment clause, so that, even if goods remain here longer than 15 days, the marine war cover re-attaches itself just as soon as re-shipment is effected.

Claims.—There will be a separate charge made for any claims which are for us to handle and lodge on behalf of consignees, namely, at 5 per cent of the amount claimed, with a minimum of 5s.

Assuring you of our best co-operation.

Where cargo has arrived at Barbados and no shipping documents have been received, the Pool Authority will ship the goods by first available means, consigning it to the Competent Authority in the colony of destination. The Competent Authority will deliver the goods to the consignee upon receipt of a negotiable bill of lading and payment of all transshipment and freight charges.

It is hoped this general procedure of handling cargo at the transshipping point as "colony units" rather than cargo for individual consignees will greatly speed its movement.

BUSINESS CONDITIONS IN INDIA IN 1942

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, January 20, 1943.—The year 1942 will probably be regarded as one of the most remarkable in India's economic history. It was a period of unparalleled industrial development, of drastic changes in the composition and direction of foreign trade, and of unique and far-reaching participation by the Government in many branches of industry and trade. An accurate assessment of the year's achievements is handicapped by the paucity of official statistics and other records.

It is common knowledge that great progress has been made in the expansion of existing industries and in the development of new plants and processes. Such industrial production has been concerned to an important extent with war materials for both the Indian and other allied armies, but it has at the same time sought, and to a considerable degree successfully, to satisfy local demand for goods that were formerly imported from abroad but which are no longer available from the usual sources of supply. If then there is one aspect of economic conditions in India during 1942 that has been of outstanding importance, it is the great progress made in manufacturing production.

With regard to foreign trade, statistics for the seven months ending October 31 show a heavy decline in import values but a reasonable maintenance in those of exports. As compared with figures for the same period in 1941, imports decreased in value from Rs.1,178,764,812 to Rs.666,920,200. Export values fell off from Rs.1,410,336,100 to Rs.1,119,244,051. The favourable trade balance, however, increased from Rs.231,571,288 to Rs.452,323,851.

A reliable index of commercial activity shows some recession during the later months of the year from the high figures of the year before. The combined figure for October was 97 as compared with 121.4 for October, 1941. This decline was largely due to reductions in iron and steel output at that particular time and to a simultaneous falling-off in inland transport activity and bank clearings. All the other principal branches of business and industry on which the index is based showed reasonable maintenance of former trends.

AGRICULTURE

The year 1942 is generally regarded as a good one for the agricultural community. This was due in no small degree to the increased dependence of the country as a whole on domestic output of various raw materials and food-stuffs. The Government took numerous steps to encourage improved production of grains and other foods, such as the provision of seed, the issue of loans for the purchase of implements and fertilizers, the guaranteeing of minimum prices, and the outright purchase of certain crops. Prices of agricultural produce did not in general keep pace with those of many consumer goods, and the farmer has suffered some loss in income. This has been offset to a large extent, however, by the assurance that farm produce will continue for some time to command a ready market and considerably higher prices than usual.

Figures of the production of India's principal crops during the 1941-42 season show declines from those of the previous year for jute (in which the reduction was unusually large), castorseed, linseed, sugar cane (of which also the year's production was far below that of the previous season), groundnuts, and sesamum. Increased outputs were recorded for rape and mustard seed,

wheat, cotton, and rice. The respective figures for these crops for the two years were as follows:—

India's Production of Principal Crops

	1940-41	1941-42
	Bales	Bales
Jute	13,186,000	5,474,000
Cotton	5,903,000	5,980,000
	Tons	Tons
Sugar cane	5,794,000	3,957,000
Castorseed	105,000	89,000
Groundnuts	3,702,000	2,546,000
Rice	22,150,000	25,567,000
Rape and mustard seed	1,083,000	1,109,000
Linseed	430,000	361,000
Wheat	10,005,000	10,070,000
Sesamum	433,000	415,000

INDUSTRY

India's industries, as previously mentioned, have undergone still further development during 1942. Recent trends in this sphere of India's economy are summarized as follows:—

JUTE

The jute industry has been faced with the further loss of export markets and strong fluctuations in demand for various types of jute products. The universal shortage of shipping space has also had an adverse effect on this industry's progress. On the other hand, the mills continue to receive large orders for an increasing variety of army equipment, while the demand from the United States for raw jute has reached unexpected levels. The year cannot be said to have been a good one, but the industry appears to be satisfied that, with the elimination of some present difficulties, conditions may eventually improve.

COTTON

India's cotton industry has continued to cope with unprecedented demands on its resources. Reduced imports of manufactured goods brought about a considerable increase in the mills' domestic trade, which, combined with extremely large orders from the United Kingdom and Indian Governments, led to the adoption of a general policy of working two, or even three, shifts per day. The industry has been called on as well to produce many articles for which the proper equipment has not been available, such operations necessitating considerable expenditures for the purchase of new machinery and for plant alterations. The year-end position of this industry was generally satisfactory, although the opinion is expressed in some quarters that the future is less promising than is suggested by the recent unusual activity.

IRON AND STEEL

The iron and steel industry continues to play a major part in India's contribution to the war effort. Not only has the volume of production been greatly increased and the variety of products widely extended, but the principal units in the industry have been continually expanding their plant capacity, assuring still further increases in future production. Among the goods now made in these Indian mills for the first time are armour plate, several types of high speed steels, stainless steel, bullet-proof rivet bars, and numerous others designed particularly for supply to ordnance factories; railway wheels; tires and axles; benzol; toluol; and a considerable variety of other essential materials.

TEA

The year 1942 was a record one for the tea industry. It was apparent at its beginning that production would have to be expanded to meet the increased

demand in many markets due to the cutting off of Japanese and Chinese supplies. Eventually the industry undertook to increase its output by some 15 per cent to an approximate total of 555 million pounds. An arrangement which had originally been made with the United Kingdom Government for supplying 315 million pounds was later amended to cover an additional 106 million pounds, the former amount being required largely in the United Kingdom and the latter for sale in such "outmarkets" as Canada, the United States, Australia, New Zealand, and South Africa. The Indian Government meanwhile took steps to ensure that adequate stocks, amounting to some 134 million pounds, would be reserved for domestic distribution. This trade has had to overcome numerous obstacles in the form of transport difficulties and a shortage of supplies of packing materials but has nevertheless experienced an unusually active and prosperous year.

COAL

The greatly increased tempo of Indian industry has had an important effect on the coal trade. Abnormal demand during 1941 had seriously taxed the industry's resources. As a result of even more urgent and extensive requirements of manufacturing and shipping interests, coupled with transport difficulties, the mines were faced with many difficult and unusual problems during 1942. All those producing first-quality coal have been operating at maximum capacity and in doing so had to contend with a certain amount of labour trouble and a fluctuating and, at times, uncertain supply of railway cars. The storage problem so occasioned had also to be overcome. Some of the smaller mines producing inferior grades were forced to suspend or cease operations. Altogether, through co-operation of the Government with industry, delivery was effected of all necessary stocks to essential war industries and to meet shipping requirements at the main ports, and the year's operations, although carried on under severe strain, were satisfactorily completed.

SUGAR

India's sugar industry experienced one of the worst years in its history during 1942. This was due in part to the effect of plans for restricted production, to offset a considerable carryover of stocks at the beginning of the year, and to a subsequent shortage of cane in several of the principal producing areas. This difficult situation was complicated by the introduction of control regulations which failed to operate satisfactorily but which still remain in force. In any event the year closed with sugar selling at exorbitant prices in many black markets throughout the country, poor prospects for the cane crop in the coming season, and, in addition to lack of co-operation among producers, disagreement on matters of policy between producers and the Government relative to production, distribution, and price control.

OTHER INDUSTRIES

The data available as this report is written are insufficient to permit of detailed reference to the progress of several of India's other industries during 1942. The paper industry had an extremely busy year and marked advances were made in the manufacture of papers that are urgently required throughout the country but which have never been made in local mills. The cement industry also was active, although no details of output are available. There has been a large expansion in the generation of hydro-electric power. Chemical production also made rapid strides. Of equal interest and national importance has been the greatly increased range and volume of the output of many small plants throughout the country that operate as subsidiaries of larger industries or are engaged in the manufacture of household and personal necessities.

NEW INDUSTRIES

The foregoing references to production of India's principal industries during 1942 may be supplemented by brief comments on the development of new manufacturing plants and processes. There has been substantial progress in this direction ever since the outbreak of war, encouraged not only by the extensive demands of the Government and the army but to an equal degree by local demand for goods that are no longer obtainable from outside sources. Apart from the large production of army equipment of many types, new Indian industries are now making a variety of chemicals, medicines, toilet articles, foodstuffs, plywood, fish products, rubber manufactures, sports goods, cotton- and jute-mill equipment, and various other products required for industrial use or general consumption. The consolidation of many of these undertakings, encouraged not only by tariff protection but also by a desire for economic independence on the part of many local interests, appears to be assured.

TRANSPORTATION

India's transportation systems operated under extremely difficult conditions during 1942. The railways had to cope with abnormally heavy traffic while deprived of the usual facilities for repair and replacement. Earnings have been far in excess of recent averages, but the future is clouded by the necessity for heavy outlays on maintenance and new equipment. Coastwise shipping traffic, already greatly reduced by a shortage of vessels, suffered various interruptions owing to enemy action in the Bay of Bengal. Steps are being taken to encourage the use of a greater number of sailing vessels, particularly along the west coast, than have been in use hitherto. Petrol rationing and restricted imports of vehicles of all types have resulted in a marked decline in the use of India's highways for both passenger and freight service. The Government is still encouraging the maintenance of all essential services. Air services continue to operate in some parts of the country on restricted schedules. No extension of former routes has been possible owing to the scarcity of equipment.

PUBLIC FINANCE

Public finance in India in 1942 was marked by the almost complete liquidation of the sterling debt. This move has, of course, been assisted by the extensive purchases made from this country by the United Kingdom, the continuation of which will create a considerable sterling balance in India's favour in Britain. This development has been accompanied by some increase in the Government's rupee debt within the country, which will eventually, no doubt, reach considerable proportions as a result of current defence expenditure. On the whole, however, India's financial position appears to be sound, and the public debt is within reasonable bounds.

BANKING

There was a heavy increase in bank deposits in India in 1942, resulting principally from a high rate of expansion in currency circulation. Demand deposits at the end of the year were twice as large as eighteen months before. Time deposits, on the other hand, had recovered to the same level as at the end of 1941, disturbed conditions during March and April being accountable for a considerable falling-off in these figures. Advances showed a progressive decline to a point where in December they were 40 per cent less than at the beginning of the year, while bills discounted also stood at unusually low levels. Cash reserves during the closing months of the year were far above normal, although their ratio to the large figure for deposits was only average. Investments in government securities increased substantially. In general the year can be said to have been a good one, and the present position of the Indian banking structure is unusually sound.

PRICES

The latest official information on the subject of prices is for the month of July. At that time the all-India index number for wholesale prices stood at 200; the figure for July, 1941, was 156. Individual figures for Calcutta and Bombay for the month of August were 192 and 228 respectively, the percentage increases over August, 1941, being 27 and 58.

As indicated by these figures, price control in India has been largely ineffective. There is a black market for practically every commodity that is in short supply or over which any attempt has been made to establish control. Commercial interests have in several instances recommended the abolition of price control measures at present in force with a view to making hidden stocks available on the market and reviving normal trading practice.

IMPORT REGULATIONS

Indian Government regulations applying to import trade from Canada were greatly intensified during 1942. At its beginning a variety of Canadian products were subject in some cases to complete embargo and in others to restrictions that permitted imports to a limited extent. There were in force at the same time certain additional regulations, such as that calling for the production of non-manipulation certificates for all shipments not made on a through bill of lading, which adversely affected Canadian shipments to the local market.

As the year progressed the administration of these regulations became increasingly severe. Open General Licence No. 11 was altered by a substantial reduction in the number of commodities affected, while licences which had been issued under its provisions but which had not been utilized, owing to delayed shipment or for similar reasons, were cancelled as from July 1. Finally, towards the end of June, the Government introduced further restrictions against imports from Canada which, in effect, have placed trade with the Dominion on the same basis as that with the United States. The position at the close of the year was one wherein licences for imports of Canadian products were only obtainable (1) when the Indian Government considered that such goods were essential to the maintenance and operation of war industries or for the basic needs of the civilian population and (2) when, in the case of some commodities falling within this category, evidence of former trade could be produced as grounds for the establishment of a quota against which licences were issued on a percentage basis.

EXCHANGE CONTROL

There have been no important changes during the year in Indian Government exchange control regulations applying to Canada or to transactions in Canadian dollars.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on February 16, regarding the wheat and flour situation in Australia, as follows:—

Australian wheat production in 1942-43 is now estimated at 155,000,000 bushels. There has been no change in the official wheat quotations. Shipments of flour to Ceylon are in fair volume on a basis of \$39.38, and some shipments to the United Kingdom and Middle East on a basis of \$34.52 per short ton f.o.b.

NOTES ON AUSTRALIAN TRADE AND INDUSTRY

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Additional Vegetable Dehydration Plants to be Established in Tasmania

Melbourne, January 3, 1943.—By arrangement with the Commonwealth Government, the Tasmanian Dehydration Board has made plans for the establishment of three dehydration plants in Tasmania for processing potatoes and other vegetables required for the services. The plants are to be established at Scottsdale, Ulverstone and Smithton and will be in addition to the several plants being constructed by private companies in Tasmania. The proposed plants would be of modern design, with an intake capacity of about 80 tons of fresh vegetables a day, and contracts have already been let covering the supply of vegetables.

Arrangements have been made with the Tasmanian Hydro-Electric Commission for power, and engineers are investigating the water-supply position. At Scottsdale, where a survey of a scheme to increase water supplies has been completed, an immediate start is to be made on the buildings, and it is likely that the Scottsdale factory will be in operation about the middle of February. Plans for the buildings at Ulverstone and Smithton are expected to be completed within the next few weeks.

These plants, the whole output of which is to go to the services, would not only provide an additional outlet for local produce but would also tend to stabilize the price of farm products.

Tasmanian potatoes, which are the principal item in the dehydration scheme, are considered to be most suitable for the purpose, and Tasmania will provide most of the Commonwealth's supplies of dehydrated potatoes.

Construction of Distilleries to Produce Power Alcohol from Wheat

The Commonwealth Minister for Supply recently announced that the construction of four distilleries to produce power alcohol from wheat in Victoria, New South Wales, South Australia and Western Australia was progressing rapidly. It is estimated that the combined output of the distilleries will be 12,000,000 gallons a year from 5,000,000 bushels of wheat.

The work in New South Wales is more advanced than in the other states and production is expected to begin there towards the middle of 1943. The Western Australian distillery would be next to start production, and operations in the Victorian and South Australian distilleries would begin shortly afterwards.

In Victoria the construction of a required railway siding has been completed and the erection of buildings has begun. Arrangements have been made to store 1,000,000 bushels of wheat and this storage space will be available for local wheat this season. The Victorian distillery will cost about £A500,000 and, in addition to producing 3,000,000 gallons of power alcohol a year, will make available by-product stock food amounting to about 12,000 tons annually. When completed the Victorian distillery is expected to provide permanent employment for about eighty persons.

In Western Australia, the estimated cost of the liquid-fuel factory is £A418,000, and it is expected that production should begin about the end of 1943. The estimated production cost of the absolute alcohol is 2s. 6d. (approximately 45 cents Canadian) per gallon.

An Australian sugar-refining company was selected to undertake the construction, management and operation of the distilleries as an agent of the Commonwealth, and will fill this position for five years. The basis of the agreement is that the Commonwealth Government entirely finances the building and operation of the distilleries, the company acting as contracting agent for the Commonwealth in both phases of the scheme. If, at the expiration of five years,

the Commonwealth elects to run the distilleries entirely as a government enterprise, it would be free to adopt this course.

Egg-drying Plant in South Australia

A noteworthy advance in the treatment of perishable primary products for export under wartime conditions, when refrigerator space is not available, has been made in South Australia with the erection of an egg-drying plant at Mile End, near Adelaide. This plant, the operation of which is based on the Gray-Jansen spray-type method, was built through the co-operation of the Commonwealth and South Australian Governments and the South Australian Egg Board, and began operations last month.

The capacity of the Mile End unit is 40 cases of eggs an hour, which is equivalent to 1,600 gallons of egg pulp or 400 pounds of powder. The plant can treat 180,000 eggs a day. Two systems of pulping—one the vacuum extractor system and the other the hand cracking system—are used in the plant. In the drying process the pulp is sprayed through a nozzle of $\frac{1}{800}$ of an inch gauge under a pressure of 3,000 pounds to the square inch. The temperature in the dryer is 230° F.

It is considered that, but for the erection of this plant, the poultry industry in South Australia could not have survived, and Government officials who recently completed inspection were greatly impressed by the export possibilities the plant presented.

Mineral Developments in Tasmania

Magnesium.—According to a recent report, the production of magnesium from extensive deposits of dolomite at Smithton, Tasmania, is progressing satisfactorily. Magnesium has become an important competitor of aluminium for industrial purposes. Developments in the metal industry have shown the need for a permanent supply in Australia, and war conditions have emphasized the desirability of producing it locally. Deposits of magnesite, one of the chief sources of magnesium, have recently been investigated on the northwest coast of Tasmania, and bulk samples were taken.

Graphite.—During the course of excavational work near Burnie, Tasmania, a discovery was made of graphite, which is expected to prove of value in the near future. According to the Director of Mines, who inspected samples, the graphite is the best so far found in Tasmania. Graphite has previously been located in this state, but the samples have been of poor quality. This mineral which is used largely in the manufacture of lubricants, is in short supply in Australia.

Asbestos.—An extensive body of serpentine carrying asbestos of good quality has been proved near Zeehan, Tasmania, and the site for a mill has been prepared. At the time of its discovery, it was not possible to handle the asbestos fibre but, with the increased demand for asbestos for war purposes, an economic method of treatment has been found. A mill will be built close to the Emu Bay Railway, and it is expected that from forty to fifty men will be employed in the mill and on other works.

NEWSPRINT INDUSTRY IN THE UNITED STATES IN 1942

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, February 13, 1943.—The newsprint paper industry in the United States has been affected by the country's extensive war program, and during the past year it has been placed under the jurisdiction of the War Production Board and the Office of Price Administration. However, as pointed out in a recent report by the Secretary of the News Print Service Bureau at New York, the United States' participation in the war has not adversely affected paper

manufacturing to the same extent as it has many other manufacturing industries, due to the fact that there are many essential uses for paper whether in peace or war time. In addition, the industry is less adaptable to transformation into production for war purposes than are other industries.

PRODUCTION

According to the News Print Service Bureau, the production of newsprint paper in the United States in 1942 amounted to 952,616 tons, a decrease of 62,296 tons, or 6.1 per cent, from the 1941 record output of 1,014,912 tons. The 1942 total accounted for 22 per cent of the North American production of 1,014,912 tons. The decline in production is attributed to the decrease in exports to foreign markets and a small reduction in domestic consumption.

EXPORTS AND IMPORTS

As official statistics of United States export and import trade are not available, it is only possible to give an estimate of the quantities of newsprint paper entering and leaving this country. Exports for the year were placed at 18,000 tons as compared with 25,000 tons in 1942, a decline of 28 per cent.

In order to meet the newsprint demand in the United States, this country is now dependent entirely upon Canada and Newfoundland for additional supplies. Imports from Canada in 1942 are estimated at 2,792,000 tons as compared with 2,762,000 tons in the previous year, a decline of about 1 per cent.

STOCKS

Shipments of newsprint from the mills in 1942 amounted to 950,601 tons, leaving 9,601 tons as mill stocks at the close of the year as against 7,586 tons at the end of 1941. Publishers' stocks on hand as of December 31, 1942, were placed at 479,349 tons, a 59-day supply, and were 24.4 per cent over the 385,296 tons, or 44-day supply, on hand at the close of 1941. While mill stocks are lower than they have been for some years, the 59-day supply in the hands of publishers is considered adequate.

CONSUMPTION

Consumption of newsprint paper in the United States in 1942 is estimated at 3,800,000 tons as compared with 3,930,000 tons in the previous year, a decline of 3.4 per cent. Consumption by the publishers reporting to the American Newspaper Publishers' Association was placed at 2,835,000 tons, or 3.8 per cent below the 1941 consumption of 2,947,000 tons. The decline in consumption is attributed to a decrease in newspaper advertising, as newspaper circulation was above that of 1941.

Combined circulation of morning, evening and Sunday newspapers for the twelve months ended September 30, 1942, as reported by *Editor and Publisher*, amounted to 78,669,000 copies, an increase of 4 per cent over the previous high of 75,516,000 copies in 1941. Circulation in each group was higher than ever before, while the largest gain was recorded by Sunday newspapers.

During the past year there was a 5 per cent decrease in newspaper advertising. According to *Media Records*, for 52 cities there was a loss of 52 per cent in automotive industry advertising, 14 per cent in financial advertising, 6 per cent in classified advertising, and 3 per cent in retail advertising. On the other hand, general advertising showed a gain of slightly over 1 per cent.

OUTLOOK

In view of the shortages of labour, transportation, power and other essentials, the War Production Board has found it necessary to order a reduction in the consumption of newsprint paper for 1943. At the close of 1942 the Board issued an order limiting the tonnage of newsprint a paper may use to 100 per cent of its consumption in 1941, plus an allowance of 3 per cent for loss from spoilage. It has been estimated that, as a result of this curtailment, the current consumption of newsprint will be cut by 10 per cent. In order to meet this reduction in consumption, the newsprint mills have set their operating ratio at 10 per cent less than in the six months preceding March 31, 1942.

On February 9 the officials of the War Production Board issued a further announcement that they anticipated a second cut of not more than 10 per cent in consumption, effective April 1, 1943. The Board is of the opinion that these two reductions will be adequate to meet the current situation caused by the war. In 1943 the newsprint industry will be faced with higher manufacturing costs, lower operating ratios, smaller personnel and higher taxes.

BOLIVIAN EXPORTS IN 1942

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Santiago, February 11, 1943.—Although publication of official statistics of Bolivian mineral exports has been suspended, the monthly letter of the Mining Bank of Bolivia contains some general information on this subject. During 1942, due to various factors, total exports were below those of 1941.

Mineral exports, such as tin, showed decreases, but there was an appreciable increase in those of wolfram and antimony. Since there appears to be an assured market for wolfram at present, it is possible that a further increase will be recorded for 1943, provided there are additional investments in this industry.

The outlook for antimony will depend in great part upon the result of the negotiations for the renewal of the contract with the Metals Reserve Company. Owing to the lack of an assured market and to relatively low prices, there has been a decline in the exportation of certain other minerals, especially lead and copper.

ANTI-INFLATION MEASURES IN NEW ZEALAND: A CORRECTION

In a report on measures enacted in New Zealand to combat inflation, published in *Commercial Intelligence Journal* No. 2037 (February 13, 1943), page 137, the Prime Minister of New Zealand is misquoted (in Paragraph 1), being credited with the statement that "since 1939 . . . the supply of goods that people can buy has *increased* by more than £40,000,000".

This quotation should read as follows: "Since 1939 the national income has *increased* by about £50,000,000, but the supply of goods the people can buy has *decreased* by more than £40,000,000. This excess of purchasing power, amounting to almost £100,000,000, has begun to swamp the Government's price controls. The inescapable alternatives are either to turn off the stream at its source or to let events take their course, and the course would be inflation and the destruction of all that has been attained in the way of social security."

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 60, effective March 1, 1943, Regulations 14(b) and (c) and 44 of the Export Permit Regulations are cancelled, and the following are substituted therefor:—

14(b). Where it is proposed to export the goods covered by any one application in a series of shipments spread over the life of the permit, the exporter should state this intention in his application and give the name and address of his nearest Customs Office. On making his first shipment, the exporter should then present to this Customs Office for approval the original copy of the export permit, along with the relevant Export Entry Form B-13 upon which the export permit number has been endorsed. The Collector of Customs will retain the export permit but return the Export Entry Form B-13 duly stamped, which must then accompany the shipment to the port of exit, where the Collector of Customs will permit export. Subsequent partial shipments under the permit should be covered in a similar manner by an Export Entry Form B-13 duly stamped and approved by the nearest Customs Officer with whom the original export permit was first lodged. For shipments proceeding through the United States to other destinations see Regulation 14(c).

14(c). When a permit covers a shipment to one of the blockade countries and bears a blockade number, or covers a shipment by sea route out of a United States port to Latin American countries, the permit will not be taken up by any Canadian Collector of Customs. Exporters will be required to surrender it at the time of shipment to the carrier, to be securely attached to the waybill, with which it should remain until it reaches the United States port of lading. The United States forwarding agent should be instructed to recover the permit from the last carrier for presentation to the United States Collector of Customs at port of lading. Where shipments are made under a partial shipment permit, they should be covered by partial shipment forms. These partial shipment forms should be completed in triplicate and presented, with the relevant Export Entry Form B-13 and the permit, to the Collector of Customs named in the application for validation. The third copy of the partial shipment form will be returned by the Collector to the exporter, who must surrender it at the time of shipment to the carrier, to be securely attached to the waybill. Subsequent shipments under the permit should be covered by partial shipment forms to be dealt with in a similar manner. In addition, the exporter should clearly endorse on his partial shipment forms the blockade number stamped on the export permit.

44. Transportation companies, except when specially authorized, should not move commodities requiring an export permit from interior points to the frontier ports of exit unless accompanied by either an export permit issued by or on behalf of the Minister of Trade and Commerce, Ottawa, a partial permit form, or a Customs Export Entry Form B-13, that has been duly stamped and initialled by a Canadian Collector of Customs, on which the export permit number has been stated. Shipments may, however, go forward to the port of exit on ascertaining the export permit number and inserting the authorized permit number on the Export Entry Form.

ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 1210, effective February 22, 1943, the commodities listed below are added to the schedule of those the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

By Export Permit Branch Order No. 61, also effective February 22, 1943, certain of these commodities are exempted from requiring an export permit when shipped to certain specified destinations, as indicated by the reference marks.

GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Field peas (including split peas).

Field crop and vegetable seeds: *Orchard grass, *meadow fescue, barley, oats, buckwheat, Swiss chard.

GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Waxes, animal, including admixtures.

GROUP 3—FIBRES, TEXTILES AND TEXTILE PRODUCTS

Vegetable fibres, n.o.p., unmanufactured; vegetable fibre yarn and manufactures, n.o.p.

GROUP 5—IRON AND STEEL (INCLUDING ALLOY STEEL) AND THEIR PRODUCTS

Bottle closures.

Safes and vaults and equipment and parts therefor.

Needles.

Steel wool.

Lamps and lanterns.

GROUP 6—NON-FERROUS METALS AND THEIR PRODUCTS

Thorium manufactures (including incandescent mantles).

Cerium manufactures.

GROUP 7—NON-METALLIC MINERALS AND THEIR PRODUCTS

Limestone, ground.

Paraffin wax manufactures (including candles).

*Talc, steatite, soapstone and pyrophyllite, crude and ground.

GROUP 8—CHEMICAL AND ALLIED PRODUCTS

Proprietary medicinal products, packaged for retail sale:—

†Asthma, catarrh, and hay-fever preparations, including inhalants.

†Corn and foot remedies.

†Cough, cold and bronchial preparations.

†Digestive preparations.

†Headache, neuralgia and pain remedies.

†Liniments.

†Malaria, chill and fever remedies.

†Mouth washes, gargles and personal antiseptics.

†Salves and ointments for coughs, colds, burns, cuts, etc.

†Tonics, blood purifiers, emulsions and appetizers.

†Medicinal preparations, proprietary, n.o.p.

GROUP 9—MISCELLANEOUS

Umbrellas and umbrella frames.

Pencils, all kinds, including mechanical.

Fountain and stylographic pens, and parts therefor.

‡Rifles, revolvers and pistols, .22 calibre and smaller.

‡Shotguns and shotgun shells.

Musical instruments (including phonographs) parts and accessories.

Bats, balls, racquets, fishing rods and tackle, baseball and hockey equipment, and other sporting goods, n.o.p.

*Export permits are not required for shipments to the United States.

†Export permits are not required for shipments to any part of the British Empire.

‡Export permits are not required for shipments to any part of the British Empire or to the United States.

EXPORT PERMITS FOR PARTIAL SHIPMENTS

Following is copy of a notice covering the procedure for partial shipments that has been issued to Canadian exporters, effective March 1, 1943:—

1. Exporters, when forwarding an application for an export permit, should state clearly in their application if the shipment is to be made in partial lots, in which case, in place of advising the name of the Canadian frontier port or ports of exit, they should state their nearest Customs Office.

2. On receipt of their permit, they should lodge the original copy with the Customs Office mentioned on the permit.

3. When they wish to make a partial shipment under the permit, it will be necessary for them to complete as usual the Canadian Customs Export Entry Form B-13 to cover the quantity of goods to be shipped and present it to the Collector of Customs where their permit is lodged.

4. The Collector will endorse on the Form B-13 the relevant export permit number, stamp it, and return it to the exporter after noting the amount of the shipment on the face of the original permit.

5. The exporter should then hand the Export Entry Form B-13 to the carrier or shipping company, who will accept it as sufficient evidence of the existence of an export permit to cover the shipment.

6. When the permit covers shipments which pass through the United States intended for furtherance to other countries out of United States ports, the initial shipment must be accompanied by the original export permit and, therefore, should not be taken up by Canadian Collectors of Customs but should be delivered by the exporter to the carrier, who must see that it is firmly attached to the waybill covering the shipment.

7. For subsequent shipments under the permit, partial shipment forms must be completed and presented for validation to the Collector of Customs named in the permit, who has on file his blue copy of the permit.

8. The Collector validating the forms will note on his copy of the export permit (blue copy) particulars of the shipment and port of exit. He will send without delay by mail two copies (pink and green) of the partial shipment form direct to the frontier port of exit mentioned in the bill of lading or Export Entry Form B-13. The third copy (yellow) of the partial shipment form will be returned by the Collector at the validating port to the exporter, who must surrender it at the time of shipment to the carrier, who will attach it to the waybill.

9. On permits covering shipments to blockade or navicert areas, exporters are strongly advised to endorse *clearly and prominently* on their bills of lading and Export Entry Form B-13 the I.E.L. or blockade number.

10. Exporters are advised against making partial shipments on the same permit out of different United States ports or on different vessels out of the same United States port. If it is found necessary to do so in order to take advantage of shipping space, it is suggested that they secure separate permits to cover each shipment.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

SUSPENSION OF CERTAIN QUOTA RESTRICTIONS

Mr. George Shera, Office of the Trade Commissioner in Dublin, advises that, by three Orders of the Government of Eire, all dated November 25, 1942, the import quota restrictions on imports into Eire of brushes, brooms and mops, marble chippings, and laminated springs of iron or steel have been further suspended until June 30, 1943.

Australia

PROCLAIMED INTERMEDIATE TARIFF RATES ACCORDED THE UNITED STATES

An Australian proclamation, operating from February 18, 1943, extended the intermediate tariff on "proclaimed" items to goods the origin and produce of the United States. The Australian tariff consists of general tariff rates and British preferential rates for all goods, and for most goods also a column of intermediate rates which are usually lower than general tariff but higher than British preferential rates. Only those intermediate rates that have been brought into effect by proclamation are in actual use, and intermediate rates apply only as regards goods produced or originating in countries to which they have been extended by proclamation.

The intermediate tariff has already been accorded to the greater number of the trading nations of the world, but heretofore that concession had not been made to the United States.

The principal commodities for which proclaimed intermediate rates lower than general tariff rates now become applicable to United States goods are: Wines; certain spirits; flavouring preparations; certain types of cheese; sardines cooked in oil; cornflour in bulk; soaps; cotton and artificial silk piece-goods; velvets; lace; felt; materials for neckties; trimmings for apparel; buttons; women's dresses; knitted apparel; corsets; felt hats; unfinished cotton tablecloths; canvas and duck; copper in bars, rods, sheets and tubes; electrical regulating and controlling apparatus; dynamo electric machines; static transformers; covered cable and wire; band saws; white lead and dry colours; varnishes; perfumery and toilet preparations; clocks and watches; leather; rubber goloshes; pneumatic tires and tubes; tissue and surface coated paper; handbags and purses; brushes; artificial silk yarn; cartridges. On most of these goods the British preferential tariff is applicable to Canada and otherwise the intermediate tariff.

CONTROL OF IMPORTS FROM STERLING COUNTRIES

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes under date January 4 that numerous articles of an unessential nature previously prohibited import when from non-sterling countries only are now also prohibited when of sterling origin. Similarly some essential goods, in short supply in the country of manufacture and already subject to "Administrative Control" when of non-sterling origin, have been transferred from "Quota" to "Administrative Control" when of sterling origin to effect a greater flexibility and detailed examination of the merits of each application. Items so transferred include the following: silicon steel sheets; metal-working machine tools costing over £150; circuit breakers and switch units (high tension); pressure controls for refrigerators; electronic tubes—wireless receiving, rectifying, electric vacuum; expansion and thermostatic valves; fluorescent lamps; hurricane lamps and lanterns (except

pressure); screwing tools, including dies, taps and chasers, screwplates, stocks and tap wrenches; hand tools; surface-coated and boxmakers' papers; thermostats; fibreboard; barretter tubes; celluloid for further manufacture; motor-vehicle replacements and tractor parts.

Barbados

IMPORT CONTROL REGULATIONS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reported on February 15, 1943, that the Barbados Control Board has issued a notice stating that licences will be granted for the importation of onions and candles from Canada, French style braces from the United States, and vacuum flasks and briar pipes from South America.

British India

RESTRICTION ON IMPORT OF COD LIVER OIL

A public notice issued by the Import Trade Controller at Bombay on October 7, 1942, states that the import of cod liver oil from Canada, Newfoundland and the United States will not be considered as essential. The Indian Government, consequently, will not be prepared to issue permits for the import of cod liver oil from these countries except under special circumstances.

United States-Mexico

TRADE AGREEMENT RATES EXTENDED TO ALL COUNTRIES

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes that a Mexican decree published February 1, 1942, incorporates the tariff reductions granted by Mexico to the United States in the trade agreement signed between the two countries on December 23, 1942, into the General Tariff of Import Duties, thus extending the reductions to imports from all countries. A summary of the agreement was published in *Commercial Intelligence Journal* No. 2033 (January 16, 1943), page 56.

EXCHANGE CONDITIONS IN ECUADOR

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, February 12, 1943.—A system of strict exchange control was introduced in Ecuador on June 3, 1940, and is still in operation. The present official dollar rates of exchange of the Central Bank of Ecuador are 13·70 sucres buying and 14·10 sucres selling for one United States dollar. Taking into consideration the official rates as between Canadian and United States dollars, approximately 12·5 sucres equal one Canadian dollar, or one Ecuadorean sucre equals about 8 cents Canadian.

These rates mark an advance in the value of the sucre, as throughout 1941 and until April 29, 1942, the Central Bank bought at 14·80 sucres to one United States dollar and sold at 15 sucres. Credit facilities appear to be ample, and collections are being taken up promptly with no apparent difficulties. The Central Bank has high dollar exchange reserves, and there may be a further appreciation in the currency during 1943. The economic situation is good, and the chief difficulty is to obtain the delivery of merchandise ordered from overseas.

IMPORT PERMITS

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and previous volume of imports. Some control is maintained with regard to the importation of luxury goods and those which

compete with nationally manufactured articles. As a precautionary measure, a Canadian exporter should not ship to this market unless the dealer in Ecuador has supplied him with a duplicate copy of the relative import permit (Permiso de Importaciones).

Importers are required to make application for exchange before placing orders abroad. When granted, the Central Bank sets the exchange aside to the order of the importer, so that it is available for payment against shipping documents.

LETTERS OF CREDIT

Importers may also open letters of credit which can only be established through the Central Bank of Ecuador, as this bank alone is empowered to handle such transactions. Formerly the Central Bank required a cash deposit of 100 per cent of the value of the confirmed letters of credit, but by a decree of March 21, 1942, the Central Bank is permitted to issue confirmed letters of credit for the importation of merchandise upon the importer's depositing 25 per cent of the value of the letter of credit in cash and the remaining 75 per cent in such form of guarantee as the Board of Directors considers necessary. The same decree also provides that government departments, state railways, the Southern Railroad and the Loan Bank of Ecuador shall not be required to deposit the 25 per cent in cash for merchandise; these will only have to submit satisfactory guarantees to the Board of Directors for the full amount.

The customs and parcel-post offices will not deliver imported goods unless proof is furnished that the covering exchange has been obtained through the Central Bank of Ecuador. Merchandise that has been sold on a time-draft basis is delivered only upon certification that the purchaser has accepted the draft and a bank guarantee of reimbursement with funds provided by the Central Bank of Ecuador. Imports may also be effected through letters of guarantee that are established by Ecuadorean commercial banks, by which the commercial bank guarantees the credit risk.

TERMS OF PAYMENT AND QUOTATIONS

With respect to terms of shipment to Ecuador, Canadian exporters forwarding goods to unknown customers should insist on letter of credit or letter of guarantee. However, since the Exchange Control sets exchange aside for approved orders, sales on a sight-draft basis, or even on short-term credits, can be made to reliable importers. Should an importer refuse to pay a draft for which the foreign exchange has been earmarked, he is not to be granted further exchange facilities; in other words, he will be unable to obtain further imports.

When making quotations to Ecuadorean firms, shippers in Canada, in order to avoid confusion, are advised to quote prices in United States dollars, as this is the most common medium of exchange in Ecuador. Also, by the regulations of the Canadian Foreign Exchange Control Board, final settlement for Canadian goods despatched to Ecuador must be effected in United States dollars. However, if for some reason quotations are made in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into United States funds.

DOLLAR NOTES

There is a control over dollar notes in Ecuador, and it is now illegal to use these in any transaction. Holders were obliged to surrender their dollar notes to the Central Bank before August 31, 1942. According to financial circles, approximately \$525,000 was turned in to the Bank. There is a small black market in dollar notes, as U.S.\$50 may be carried by travellers entering the United States. "Black market" rates for notes have dropped as low as 6 sucres to the dollar, but this rate increases on occasion to about 10 sucres.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING FEB. 22, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, February 22, 1943, and for the week ending Monday, February 15, 1943 with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 15	Nominal Quotations in Montreal Week ending Feb. 22	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2625	.2626	—
Brazil	Cruzeiro (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
		Official	.3313	.3313	—
		Free	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5861	.5862	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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Minister:

Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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DIRECT PARCEL POST SERVICE TO SOUTH AFRICA SUSPENDED

The Post Office Department announces that the direct parcel post service to South Africa has been temporarily suspended. In future, all parcels for South Africa should be routed via New York or England, and be properly prepaid for transmission by these routes. The restrictions covering the importation of goods into the Union of South Africa and South West Africa still apply regardless of the route followed.

FOOD CONTROL REGULATIONS IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's February 16, 1943.—In a report on "Food Rationing in Newfoundland," published in *Commercial Intelligence Journal* No. 2037 (February 13, 1943), page 136, the steps being taken by the Government to control the prices and distribution of certain commodities were briefly outlined. Additional regulations announced by the Commissioner for Public Health and Welfare on February 13 involve reductions in the prices of tea and molasses, the elimination of the war revenue tax on a number of foodstuffs and the suspension of the duty on imported potatoes.

TEA

In fixing the retail price of tea, the Commissioner established a maximum price for specified brands as well as an over-all maximum for bulk tea. The prices for specified brands range from 73 cents to \$1.20 per pound. The maximum retail price in any part of the country for unspecified brands or bulk tea is 75 cents per pound. It is an offence for any person to repack any package of tea, to alter any marks thereon, or to wrongly describe tea if thereby he intends to obtain a higher price for it.

MOLASSES

In establishing the price for molasses, all grading has been abolished, and molasses will sell retail in the St. John's area and within one mile of the city limits at \$1.20 per gallon. The price in every other place in Newfoundland except Labrador is fixed at \$1.24. However, to retailers who obtain molasses from wholesalers at Corner Brook a differential of four cents per gallon is allowed, so that the maximum retail price of molasses thus obtained will be \$1.28 per gallon. For quantities less than one gallon the prices will be in proportion.

ELIMINATION OF REVENUE WAR TAX ON CERTAIN ITEMS

The Revenue War Tax Act, 1940, imposed a $7\frac{1}{2}$ per cent ad valorem surtax on a long list of commodities, including most foodstuffs. Since Newfoundland depends to a large extent upon imports to meet its food requirements, it has been considered financially impossible for the Government to stabilize prices by the payment of subsidies, which is the procedure followed under the Canadian price control structure. It was therefore decided that the removal of the $7\frac{1}{2}$ per cent surtax would reduce prices to some extent, and importers have been requested to reduce their prices on stocks on hand by the amount of the surtax or, at least to average the prices of stocks cleared with those held in bond.

The prices established for tea and molasses are based on the landed cost of these commodities at Newfoundland and take into account what the authorities consider a reasonable profit margin for a wholesaler and a retailer. If more middlemen than these two are involved in a transaction, the profit margins are not increased but must be shared with the additional dealers. The profit margins are not percentages of cost but specific amounts that are added to costs. In the case of wholesalers they are added to landed costs, and for retailers they are added to the prices they have to pay to wholesalers.

The above-mentioned price for tea is approximately 15 per cent lower than that formerly prevailing, and for molasses about 25 per cent lower than the former price.

The Government has agreed to set up a committee composed of members of the wholesale and retail trade and of the St. John's Board of Trade to advise it on such matters as distribution, price-fixing practices and policy, margins of profits, and other questions connected with the sale and distribution of goods. The committee is purely advisory, however, and its functions in no way infringe upon those of the Government.

SOUTH AFRICAN PRODUCTION OF FISH LIVER OILS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, December 7, 1942.—In a report from this office, which was published in *Commercial Intelligence Journal* No. 1967 (October 11, 1941), page 418, there was a reference to the domestic production of fish liver oils in South Africa. In the interval this infant industry has grown and it is now considered to be one of the most important of a number of new industries that have been developed since the outbreak of war, three plants operating in the vicinity of the Cape of Good Hope.

The output of these three producers is now in excess of the Union's requirements and a promising export trade is reported as having begun.

The livers of certain fish found in South African waters are far more potent in vitamins A and D than is cod liver oil, which is one of the best known fish oils. In this connection the Director of the Union's fisheries has prepared the

following table showing the relative potency of fish liver oils as produced from local fish types:—

Species	International Units per Gram	
	Vitamin A	Vitamin D
Stockfish	10,000—12,000	200—300
Kingklip	10,000—40,000	200—600
Kabeljou	25,000—200,000	.....
Stonebass	100,000—600,000	.....
Blue shark	15,000—30,000	.....
Dogfish	4,000—6,000	.....
John dory	20,000—70,000	.....
Halibut	50,000	1,000—2,000
Cod	1,000	100

The bulk of the fish consumed in South Africa is caught by deep-sea trawlers, and until recently it was the practice to return to the sea all inedible varieties brought up. This practice has now ceased, however, with the development of the by-products industry, and even man-eating sharks are being utilized.

As an industry possessing certain natural advantages in the form of adequate supplies of raw material, with which are now coupled scientific research and actual production, it is probable that even after the war the South African fish liver oil industry will have an assured future.

INDUSTRIAL DEVELOPMENT IN CEYLON

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, January 15, 1943.—The war has exercised a considerable influence on industrial development in Ceylon. In previous reports on economic conditions in the Colony (see *Commercial Intelligence Journal* No. 1803 (August 20, 1938)) reference has been made to the limited growth of manufacturing industries and a general dependence on overseas sources of supply for the great bulk of the normal requirements of semi- and fully-finished products. In recent years, however, the Government has gone to considerable lengths to encourage domestic manufacturing to meet several of the Colony's more important requirements—tea chests, a variety of personal and household requisites, numerous coir goods, leather, and several textile articles. In general the trend has been towards the use of indigenous materials and the production of articles that are in regular and substantial demand by export industries and the domestic consumer. Comparatively few data are available regarding the expansion and current output of such enterprises or the establishment of new ones, but a brief statement recently issued by the Ceylon Government indicates that these developments have been of more than passing interest.

PRINCIPAL INDUSTRIES

It will be recalled that Ceylon's principal industrial activities are the growth and processing of tea, rubber, and coconuts. The tea industry comprises many estates in the central part of the country and a large number of "factories" in which the tea is prepared and packed for export. In the same way the rubber plantations along the south coast have their factories for the conversion of latex into the various forms in which raw rubber is required for world markets. The coconut industry also requires considerable plant for the production of oil, desiccated coconut, copra, coir, poonac, and fibres, although the manufacture of some of these products depends to a greater extent on hand labour and the use of simple equipment than in the tea and rubber industries.

In addition to these manufacturing processes associated with the three main industries, Ceylon has also supported such enterprises as cigar and cigarette factories, a number of sawmills, a match industry, various leather

tanneries, some fertilizer plants which depend largely on the use of imported materials, a few spinning and weaving mills, and a number of other establishments of minor importance.

NEW INDUSTRIES

Ceylon's newer industries include a plywood factory using domestic lumber and supplying chests to the tea trade. This project appears to have every prospect of developing into a valuable asset to the Colony. The production of coir products, notably bags and cloth, is in the same way designed to utilize a typically domestic article and to supply one of the principal needs of several export undertakings. A factory for the manufacture of footwear from Ceylon-made leather has recently been opened while it is reported that another turning out hats of various types is making good progress. The manufacture of acetic acid, one of the principal materials required in rubber factories, has been under investigation for some time, and it is expected that production will shortly be under way. One of the principal raw materials utilized will be coconut-shell charcoal. The manufacture of ceramics and glassware has also been undertaken. Still another plant is now in course of completion to carry on the manufacture of quinine from Ceylon's wild cinchona forests. A steel rolling-mill, designed to utilize available stocks of scrap metal, is a further interesting example of current industrial development. There has been, in addition, a substantial increase in the volume and variety of goods made by smaller industries in which hand labour plays an important part. Textile materials of numerous types are being made in such establishments. Other products include several types of twine, buttons, mirrors, toys, a variety of toilet articles, soap, bricks, and dry batteries.

OUTLOOK FOR CEYLON'S INDUSTRIES

It is hardly to be expected that Ceylon will become highly industrialized. The tea, rubber, and coconut industries are altogether likely to continue to provide the great bulk of the Colony's income and to pay for the manufactures imported from other countries, which cannot be produced economically in local establishments. The lack of cheap power and of skilled factory labour and supervision as well as a comparatively small home market, will also contribute to this result. These developments are nevertheless a sign of the times and an indication that export opportunities in such markets may eventually be somewhat less extensive and valuable than formerly.

AUSTRALIAN MICA DEPOSIT

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, writes under date December 9, 1942, that about six months ago a lease was taken out by a prospector to develop a deposit of what was thought to be muscovite mica in central Australia, financial assistance being provided by the Department of Supply and Shipping, Melbourne. When specimens were analysed they were found to be not muscovite but phlogopite mica, of which there are only two other known deposits, one in Canada and one in Madagascar. Consequently the Department decided on large-scale development of the deposit, which is believed to be of considerable size and, in any event, is one of the most important mineral discoveries in Australia in recent years.

The mine is being developed by a party of civilian constructional corps workers under a mining engineer who had been working in Burma until the Japanese occupation. In four months the mine has produced 1,420 pounds of high-quality mica and it is expected that full-scale production will shortly be attained.

TRENDS IN PULP AND PAPER IN THE CHICAGO AREA*

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, February 5, 1943.—The pulp and paper industry in this area entered 1943 with uncertain prospects after two years of continual adjustment to the shifting requirements of a nation moving toward total war. At present the greatest concern of the industry is current and probable future government curtailment orders and price regulations. However, some of the pulp and paper producers in the area, notably in Wisconsin, exhibit restrained confidence with respect to the coming year because of potentially favourable supplies of pulp-wood, manpower and prime motive power, and substantial demand for their products. The conditions underlying this limited confidence may, of course, change with little or no warning, as manufacturers are well aware. The pulp and paper industry, the wartime essentiality of which has been questioned, is now hard at work developing new paper products and derivatives to improve wartime methods of packaging and relieve the shortages of strategic metals and other materials.

SCOPE AND SIGNIFICANCE OF PULP AND PAPER

Pulp is the fibrous product usually made from wood, which provides the raw material for making paper and related products. Paper-making outwardly appears to be an industry that turns out comparatively few products, but actually has at least ten distinct product divisions: book, writing, board, tissue, wrapping, ground-wood specialties, newsprint, glassine-greaseproof, absorbent, and building. Many of these branches of the industry use different raw materials and are largely independent of the others; hence, generalizations about the industry frequently will not apply to particular branches. The number of different types of paper produced has been estimated to exceed 10,000.

In peace time pulp and paper mills ranked fifth among the most important industries (production was valued at more than \$250 million) in the states included in whole or in part within this area and sixth in the entire United States, according to United States Census of Manufactures data for 1939. Pulp and paper production is the second most important industry in Wisconsin and Michigan, but of less importance in Illinois and Indiana.

More than one-fifth (22.8 per cent) of the nation's total paper output, amounting to 21 million tons in 1941, is normally manufactured within this area. The proportion is higher in the case of book paper, 27 per cent; writing paper, 27 per cent; paperboard, 26 per cent; and tissues, 25 per cent. In October, 1942, a total of 202, or 21 per cent, of the 969 pulp and paper mills in the United States were located in this area. Wisconsin (84 mills) and Michigan (68 mills) together account for about three-fourths of the mills and produce all of the pulp manufactured in the area. More than 37,000 workers, with 163,000 dependents, rely on the pulp and paper industry as a source of livelihood.

PAPER DEMAND AND PRODUCTION

Paper demand and production in 1942 will not equal the records established in 1941, when throughout the nation the industry experienced the largest increases in demand and production in its history. The outstanding gains in 1941 reflected expanded defence expenditures by civilians and the Government but in part, at least, were attributable to the building up of inventories as protection against the serious paper shortage openly predicted for 1942. Orders for unprecedented amounts of paper and paper products flooded the mills during the latter half of 1941 and carried production to record levels through

* Includes Wisconsin, Michigan, Illinois and Indiana.

the early months of 1942. However, by April, 1942, inventory demands were for the most part satisfied, and it became evident that the paper shortage was largely non-existent. The general buying wave subsided, and many of the paper mills in the area reduced their production schedules during the spring and summer months of 1942, a move which was to influence their subsequent allowable production under the WPB freeze order. The demand for and production of paper and paper products reached the lowest level of 1942 in July, but have since recovered moderately because of increased needs for direct and indirect war purposes and on account of seasonal factors, further speculative purchases because of government freeze orders, and gradual reductions in the large stocks accumulated during the previous year.

Paper production in the area established a new record in October, 1941, when output reached a level 40 per cent above the 1939 monthly average. It fell off sharply after April, 1942, as it did throughout the country, dropping in July less than the 1939 figure. New gains, however, have been made, and production in October was 26 per cent above the 1939 average. The extent of backlog of orders during the fall of 1941 and the spring of 1942 is indicated by the fact that the high and low points in the volume of orders occurred from two to three months before the corresponding levels in production. District pulp production since early fall has been above the output of a year ago. Many of the domestic and foreign sources of pulp have been cut off and, on account of transportation shortages, it is necessary for many mills to rely more upon locally produced pulp from their own plants or others nearby. A considerable amount of pulp was added to inventories before the WPB restricted them in October, 1942.

GOVERNMENT CURTAILMENT ORDERS

Beginning with November, 1942, production of most paper and paperboard products in the United States was restricted by General Preference Order M-241 to the monthly average production of individual mills (with more than one paper-making machine) during the period April to September, 1942, inclusive. During this period the industry as a whole operated at about 87 per cent of theoretical capacity, while paperboard output was at a rate of 78 per cent. An amendment to Order M-241, announced by WPB on January 8, 1943, which permits of an increase in some essential papers, changes the base period to the six months between October 1, 1942, and March 31, 1943, when output averaged 104 per cent of capacity. Production is now limited to the following percentages of base-period output: newsprint, 90; groundwood, 80; writing, 90; wrapping, 85; tissue, 100; absorbent, 80; container board, 100; set-up box board, 80; cardboard, 80; and special industrial board, 90.

The purpose of the paper freeze order, as it is generally known, is to provide the basis for a balanced program of reduced production and of possible concentration of the industry in Canada and the United States. According to the War Production Board, the ultimate object is to reduce the production of paper products to an essential level and thereby to release for war purposes labour, power, transportation and materials. Order M-241 also provides that inventories of distributors and consumers shall not exceed a ninety-day supply and that no mills may resume production which have not produced paper or paperboard since August 1, 1942; there is an option for companies operating more than one mill to submit to the WPB voluntary proposals for combining production quotas.

Many additional phases of the industry have been covered in other preference, limitation, and price orders and amendments; e.g., reduction in the number of grades, colours, weights, and sizes; control of the nation's pulpwood supplies whenever necessary; placing of ceiling prices on pulpwood in Michigan, Wis-

consin and Minnesota; and the requirement of certificates of necessity for trucks hauling pulpwood, pulp, paper, and other materials since November 15, 1942. The only wood-pulp now allowed to be shipped from the Pacific Northwest to the East is specialty pulps used in making rayon and for ordnance purposes, thus cutting off the supply of pulp for paper-making which formerly came to the mills in this area and other sections of the country. To avoid a serious dislocation of the industry, the WPB has allocated eastern, lake states, and Canadian pulps, when available, to domestic consumers whose shipments from the West Coast have been curtailed. The new Controlled Materials Plan of the WPB, effective during the second quarter of 1943, will unquestionably affect the ability of the pulp and paper industry to get certain strategic metal products needed in production.

ESSENTIALITY OF PAPER AND PAPERBOARD

Since the shift of emphasis throughout the nation to the production of goods that directly further the war effort, the question has been raised as to the essentiality of paper in the prosecution of the war. This is obviously a difficult problem to decide because of the wide variety of types of paper and paper products and the extent of curtailment or concentration that may be effected with a minimum of disruption among companies, mills, employees, and communities.

Paper in many forms has become a necessity. In 1941 the consumption by the nation was approximately 300 pounds per capita. For many war purposes paper produced in this area is indispensable and has been substituted satisfactorily for many critical metals. Paperboard and wrapping paper are required for shipping food, clothing, medicinal supplies and numerous other materials needed by the armed forces. Paper is needed for blue-prints for planes, ships, tanks and guns. Plastics made from paper are coming into use in war production. Records and record-keeping in peace or war would be virtually impossible without paper. Many domestic types of paper, as for sanitary purposes and containers, are vital necessities. On the other hand, many of the civilian paper frills in packaging, merchandising, advertising, and publishing probably can be restricted or eliminated as a necessary contribution to winning the war. Depending on the types of paper, from 20 to 85 per cent of the production of some mills is for war purposes. Several machine shops of paper mills are making metal products under war contracts.

BASIC FACTORS IN PRODUCTION

The four basic factors in the production of paper are: pulpwood, manpower, steam or electrical energy, and mill supplies and equipment. A shortage of any one of these will quickly reduce output, as will transportation difficulties in bringing men and materials to producing centres. For some mills the pulpwood situation is now serious because of the scarcity of timber men to cut the trees in both United States and Canadian forests. This affects all mills whether they manufacture their own pulp or buy it. However, a number of the mills in this area have tried to forestall an immediate pulp shortage by building up large inventories of pulpwood. Restrictions, however, have been placed on pulp inventories. In some instances, pulpwood supplies on hand are estimated to be sufficient for more than a year of production at current rates. Mill operators are greatly concerned about these abnormally large inventories, since there is danger that they may not be able to liquidate them because of changing market conditions or new curtailment orders. For most purposes other than paperboard-making, ordinary waste paper is not suitable for new paper-making, especially if a product of a high quality is required.

Many of the paper mills in the area are located in districts comparatively unaffected by large-scale industrial war plants and so far have experienced little or no difficulty, except for Selective Service regulations, in maintaining an adequate supply of workers. There has been a slight drain on manpower from paper mills to shipbuilding and metal fabricating plants in Wisconsin, a more serious shift into machine tool, tank, and ordnance plants in Michigan, and some movement into ordnance and other war plants in Illinois and Indiana. As war production centres expand their labour requirements in future months, there is a strong possibility that paper mills will lose skilled workers, the number depending, of course, upon the type and scope of new job and industry freezing orders and interpretations.

The requirements for steam and electrical energy in the pulp and paper industry are high. Mills in Wisconsin and Michigan are usually located along rivers, and in many instances generate their own power. Other mills rely upon steam generators or purchase electricity from utility companies. When other war production industries compete for this energy, the paper mills face shortages that may become increasingly serious.

The production of pulp and paper requires the use of elaborate and costly machinery and many chemicals. While few serious shut-downs have occurred among the mills because of inability to obtain metal replacement parts, most maintenance engineers have had to develop numerous substitute parts from time to time to keep the machinery in constant operation on the five- to seven-day week and 24-hour schedules maintained by many mills. Chemicals for making, bleaching, and treating pulp and paper have become increasingly scarce, with the result that the quality of some papers has had to be reduced.

NEW PAPER PRODUCTS AND BY-PRODUCTS

The substitution of paper and paper products for essential war materials, especially metals, has attracted considerable interest and attention in recent months. Intensive research at the mills and in conjunction with highly trained specialists of the industry's own Institute of Paper Chemistry at Appleton, Wisconsin, has led to the development of stronger and waterproof papers, plastics, and a host of new by-products from waste liquors of the paper-making process. Paper is now used for packaging many foodstuffs and liquids that formerly required metal containers. Synthetic resins are impregnated in papers to give special qualities needed in transporting goods overseas under a wide variety of weather and landing conditions. Some of the new by-products are being produced commercially, but many are still in the experimental stage. The possibilities for new and substitute products appear to be unlimited and promise to affect considerably the industry's position during the war and in the post-war period.

DISTRIBUTIVE CHANNELS

The growing importance of direct mill sales to the Government during the period of the war already has had some repercussions on wholesale paper dealers by limiting the volume of paper available to them. They obviously are also affected by the amounts they can sell, particularly to printers and converters of paper products whose own customers' demands have changed because of wartime conditions. As the materials needed to maintain paper quality standards become more difficult to obtain, many paper manufacturers are concerned about losing the good-will established by their branded products. If quality standards are lowered substantially, some favour suspending the manufacture of branded papers and offering general wartime grades.

CONDITIONS IN THE SOUTHWESTERN UNITED STATES IN 1942**T. J. MONTY, ACTING TRADE COMMISSIONER**

Los Angeles, February 1, 1943.—The past year has been one of considerable development and expansion in this area, the outstanding factor in which has been the necessity for contributing to the main war objectives and defence plans. The expansion in war production has been concentrated largely, as far as the western coast of the United States is concerned, on the output of ships and airplanes and, although the program outlined at the year's outset may not appear to have been fulfilled in all respects, on the whole it has been surpassed. Production of the implements of war have by far overshadowed the output of consumer goods and services. The maintenance of the standard of living has been gradually sacrificed to accomplishing the war objectives by fuller mobilization of physical and material resources and to the preparation for further efforts and achievements in that direction in 1943.

The following review, based on a survey by the Los Angeles Chamber of Commerce, outlines briefly the principal developments in 1942:—

AGRICULTURE

While active demand and higher prices prevailed, agriculture in California during 1942 was affected by wartime conditions. Scarcity of labour and equipment, higher operating costs, and transportation difficulties and uncertainties were adverse factors. The evacuation of Japanese resulted in considerable confusion in the early part of the year and, although adjustments were quickly effected, agricultural production was not improved by the removal of these workers. Added population and military personnel caused increased local demand for agricultural products, and new outlets were developed through army demand and to meet lend-lease requirements. In many instances, however, regulations impeded operations and curtailed production.

The citrus industry benefited from heavier shipments to the armed forces. Avocado production broke all local records, and the walnut industry had its most successful season since 1929. California vegetable-growers received \$40,000,000 more for their crops than in 1941. There was an increase in both cotton and flax production as compared with the previous year.

Higher prices were received for cattle, sheep and hogs, army and lend-lease requirements providing one of the principal outlets. The dairy industry met not only greater civilian demand but military requirements as well, while large quantities of dried milk were required by federal agencies.

Weather conditions were generally satisfactory, particularly in the fall. Although price ceilings and other regulations impeded operations somewhat, and production was curtailed for various reasons, total gross returns to California farmers are estimated to have broken all records.

PETROLEUM

Figures for petroleum production in 1942 showed a steady decline and were consistently below those for 1941. Refining, employment and payrolls, however, showed a rising trend and kept well ahead of 1941 levels. Some noteworthy state and national developments in 1942 are as follows:—

Estimated new and recompleted wells in California totalled 555 as compared with 941 during 1941, the decrease being due to restrictions placed on the supply of drilling equipment. In spite of this, total production was 8 per cent above the 1941 level, the estimated daily average being 678,000 barrels as against 627,650 in 1941. Some new fields were discovered, old ones were extended, and new pools were developed.

Production was placed entirely under the control of the Federal Government in co-operation with a number of committees. The Petroleum Administrator for War outlined a policy whereby the army and navy were given first call on oil; war industries were to be unfailingly served, and all civilian requirements were to be met as far as possible.

The principal developments of the year in the Southwestern States were the following: introduction of gasoline rationing; elimination of thousands of service stations; freezing of sales of new cars, tires and tubes; freezing of consumer prices of gasoline and oil; rubber salvage campaign; priority assistance to the oil industry; release of steel for production of oil-well pumping equipment.

Mining

The outstanding feature of mining activities in 1942 was the increased production of strategic and essential minerals in conformity with the National Defence program. Early in the year, in accordance with a recommendation submitted by the Los Angeles Chamber of Commerce, prices were increased for copper, lead and zinc, as well as for manganese, tungsten and chrome ores. The lowering of the Metals Reserve Company's specifications for manganese and tungsten was followed by a greatly increased production of these badly needed minerals. The Government established a plant in Utah to treat tungsten and raised the price of that mineral to \$30 per ton. Production of tungsten in the local Bishop area immediately advanced.

The bonus on over-quota production of copper, lead and zinc gave added impetus to mining in the southwestern area.

Basic Magnesium Inc. began operating its huge plant for treating the magnesium oxide which it produced. This is an electrolytic process, and it is expected that this company will shortly be the world's largest producer of magnesium metal.

The Kaiser Company Inc. is filling a long-felt want by the construction of its blast furnaces and of a plant to treat 300,000 tons of ship plate. These developments are effective in opening up and moving great quantities of southwest ores, including iron, silica, fluorspar, and manganese, as well as limestone and dolomite.

Priorities and other wartime restrictions have occasioned a multitude of problems for mine owners and operators, the most outstanding of which has been the closing of gold mines in order that manpower might be released to assist in the development of mines producing strategic minerals. As the situation develops and shortages become apparent in many strategic metals, such as copper, tungsten, molybdenum and zinc, special consideration is given to the smaller mine owners and operators to help them in obtaining loans for development work and to assist them with the details of priority applications and the problems of labour and transportation.

Wholesale and Retail Trade

Local wholesale trade was characterized by a generally steady tone, supported largely by wartime demands and some advance buying by retailers. At the end of the year, however, there were indications of a downward trend, merchandise shortages being more pronounced. During the entire year such factors as price-setting, storing and financial problems, as well as uncertainty as to consumer demand in view of government regulations, had an adverse effect on trade. Although stocks were considerably reduced, they were not seriously depleted except in heavily restricted lines.

Department-store stocks throughout the Western States averaged well above those of 1941. Inventories were steadily built up during the first half of the year, but from July onward there was a gradual decline owing partly to

inventory limitation plans and partly to greater consumer demand. This demand became apparent in September, being featured by forward buying against further shortages and possible higher sales taxes. During December many items completely disappeared, with no immediately available replacements in sight.

Retail trade averaged moderately above the 1941 figure in dollar value, but it should be noted that 1942 retail prices were higher. In view of the number of adverse factors, conditions in the retail trade were not too unfavourable, although many smaller stores were seriously affected and in some cases eliminated by merchandise shortages. As the year drew toward a close, there was a heavy upsurge of consumer buying that carried local retail trade to new high levels despite gasoline rationing. Local Christmas trade was the heaviest in the history of the southwest area.

INDUSTRIAL EMPLOYMENT

Monthly figures for 1942 indicate steady and substantial gains in employment and payrolls for manufacturing industries as a whole in the southwestern industrial area as compared with the corresponding months of 1941.

Apart from aircraft, shipbuilding, electrical machinery and automobiles, for which figures are not available, the greatest gains were in durable lines, viz., non-ferrous metals and products, machinery, and iron and steel products, reflecting the large wartime demands on local industry. Other lines, however, shared in the gains, such as rubber products, paper and allied lines, chemicals and allied products, certain food items, and some others.

While wartime conditions and priorities have seriously affected many of the smaller firms, conversion to war industry has prevented any serious and widespread withdrawal from business, the majority of such firms having found their place in the present economic structure.

MOTION PICTURES

Employment during 1942 in the motion picture industry showed a generally downward trend consistently below the figure for the corresponding months of 1941. Payroll figures, while they did not hold steady, showed a generally upward trend and in most cases were well above those for 1941.

During 1942 the Motion Picture Industry was affected by priorities and shortages in materials and manpower. Thousands of executives and workers joined the armed forces and various war industries. Foreign business fell off, although the domestic demand rose to levels high above normal. In view of conditions prevailing during the year, it is considered that the Los Angeles County Motion Picture industry made a good showing, especially in its co-operation with the war effort.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 62, effective March 1, 1943, the following paragraph is added to Export Permit Regulation 33(a):—

"Export permits are not required for shipments, not exceeding fifteen hundred pounds in any one day, to the United States of fresh pickerel, whitefish or lake trout by licensed fishermen. The fisherman's licence number must be shown clearly on the Export Entry Form B13-B."

The above applies only to fresh fish, not to frozen fish. Fishermen are especially asked to be careful to place their commercial fishing licence number on the Export Entry Form, since this will establish the fact that they are bona fide fishermen, hence entitled to the above exemption.

TARIFF CHANGES AND TRADE REGULATIONS

New Zealand

VALIDITY OF 1942 IMPORT LICENCES FURTHER EXTENDED

In view of delays in filling orders and in shipping goods from overseas, the New Zealand Minister of Customs announced in June, 1942, that licences issued for the importation of goods during 1942 would continue to be valid up to June 30, 1943 (see *Commercial Intelligence Journal* No. 2015: September 12, 1942, page 259). Mr. C. B. Birkett, Acting Trade Commissioner in Auckland, has now cabled a further announcement by the Minister that goods ordered under 1942 licences, arriving in New Zealand after June 30, 1943, will be admitted provided it can be established that orders for such goods were accepted by suppliers not later than December 31, 1942.

Bermuda

IMPORT PERMITS FOR CANNED VEGETABLES CANCELLED

The Bermuda War-Time Supplies Commission issued a notice on February 17, 1943, informing importers that all import permits that had been granted for the importation of canned vegetables have been cancelled. Importers who hold such import permits and have outstanding orders were instructed to notify their suppliers to stop shipment of further consignments.

Grenada

TARIFF ON SUGAR AND COTTON PIECE-GOODS REDUCED

A Grenada Ordinance of December 28, 1942, reduced the duty on refined sugar from 17s. 6d. to 10s. per 100 pounds British preferential tariff, and from 26s. 3d. to 15s. per 100 pounds general tariff. The duty on cotton piece-goods known as denim and coloured drills, formerly 10 per cent ad valorem British preferential tariff, and 15 per cent ad valorem general tariff, is reduced by one-half. Canadian products are accorded the British preferential rates.

WAR TAX ON IMPORTS RENEWED

A Grenada Ordinance of December 28, 1942, renews for one year from January 1, 1943, the following war taxes on imports into Grenada: 20 per cent of the duty on malt liquors, spirits, wines and tobacco; and 10 per cent of the duty on all other dutiable goods except condensed and other kinds of milk which are exempt.

St. Lucia

TARIFF DUTIES CHANGED

A resolution of the St. Lucia Legislative Council of December 19, 1942, altered the duties on beer, whisky, gin, dairy machines, and equipment, and motor oil. The new rates, with former rates shown in parentheses, are as follows:—

	British Preferential Tariff	General Tariff
Beer, ale, stout and porterper gal.	4s. (1s. 6d.)	6s. (2s. 3d.)
Whisky in bottles and not overproofper gal.	40s. (25s.)	53s. 6d. (32s.)
Whisky, all othersper proof gal.	47s. (32s.)	63s. (39s.)
Gin in bottles and not overproofper gal.	36s. (21s.)	48s. (27s. 6d.)
Gin, all othersper proof gal.	42s. 6d. (28s. 6d.)	57s. (35s.)
Dairy machineryad val.	Free (7½%)	5% (12½%)
Water tanks and bowls used in a dairyad val.	Free (15%)	5% (22½%)
Metal pipes and fittings for stalls for cowsad val.	Free (15%)	5% (22½%)
Motor spiritsper gal.	1s. (1s.)	1s. (1s. 6d.)

The surtax of 25 per cent of the duty does not apply to beer, ale, stout, porter, whisky, gin and motor spirits. The British preferential tariff applies to imports from Canada.

Newfoundland

EXEMPTIONS FROM REVENUE WAR TAX

The Newfoundland *Gazette* of February 16, 1943, announced that a revenue war tax of 7½ per cent ad valorem, in force since November 30, 1940, on imports from non-sterling countries, had been removed from an extensive list of foodstuffs and some other articles.

The articles exempted are: pearl barley; oats; dried peas; beans; lentils; corn; rice; meal; flour; farinaceous preparations; fresh meat; poultry; sausages; ham and bacon; dry salted or pickled meats; cooked meat specialties; sausage casings; butter; butterine; cheese; eggs; dried or preserved eggs; chicory; cocoa and chocolate, ground or prepared; tea; coffee, green, roasted or ground (tax was 2½ cents per pound from May 19, 1941); extracts of coffee; fish of British catch and cure; dried fruits; dates; sultanias; canned or bottled fruits and fruit juices; jelly powders; fruit pulp for jam manufactures; jams; preserves; marmalade; lard stock for manufactures; lard and lard substitutes; milk foods; table and dairy salt; soups; maple sugar; syrups; molasses; lettuce; cucumbers; tomatoes; preserved vegetables; sacramental wines; yeast; baking powder; horses; cattle; calves; sheep; swine; hay; straw; barn equipment; fruit trees; surgical instruments; antitoxins, serums, vaccines and liver extracts; marline for lobster pots; oakum; twine for sails; lines and twines for fisheries; trawl-gear, nets and seines; canvas; boards for dories; X-ray apparatus for hospitals; insecticides; sheep dips; artificial limbs; bequests.

Mexico-United States

DUTY REDUCTIONS UNDER THE TRADE AGREEMENT

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes under date February 25, 1943, that the trade agreement between the United States and Mexico, signed in Washington on December 23, became operative on January 30, 1943.

An explanation of its main features, together with a summary of the benefits in United States markets which automatically accrue to Canada by virtue of the Canadian-United States trade treaty, was published in *Commercial Intelligence Journal* No. 2033 (January 16, 1943), page 56.

The Mexican Government, in order to preserve the single-column nature of its customs import tariff and to express its solidarity with the United Nations, accorded to all countries the tariff reductions granted under the treaty to the United States, whether such countries have or have not a most-favoured-nation treaty with Mexico. This was effected by a decree amending the General Import Tariff, signed on January 29, promulgated in the *Diario Oficial* of February 1, with effect on January 30, coincident with the treaty. Accordingly the products of all countries continue for the present to receive equal customs tariff treatment on importation into Mexico. Benefits accorded in the treaty to the United States in respect of any clause other than that dealing with simple tariff reductions were not, by the decree of January 29, extended to any other country. This decree does not freeze for the duration of the treaty either the reduced or the bound rates, which hereafter may be varied at will.

The following table lists the United States products upon which Mexico has granted reductions in customs duties for a period of three years minimum and thereafter indefinitely, subject to six months' notice of termination by either party. The treaty rates shown are applicable to Canadian goods. All rates are shown in Mexican pesos. Present exchange rates are about 4.85 Mexican pesos to U.S.\$1 and 4.37 pesos to Canadian \$1. The dutiable unit is the kilo of 2.2 pounds; gross kilo (G.K.) includes weight of the goods and all containers; legal kilo (L.K.) includes weight of the goods and immediate container; net kilo (N.K.) is the weight of the goods only.

Products Subject to Reduced Duties

	Dutiable Unit	Old Rate Pesos	Treaty Rate Pesos
Canned sardines (<i>Sardina caerulea</i>), in tomato or mustard sauce or oil, whose weight, including the immediate container, is not less than 210 grams, provided the container is labelled to indicate the type of sardine and its weight.	L.K.	New item	0.70
Milk in powder or pastilles, weighing, with the immediate container, up to 5 kilos	L.K.	0.40	0.30
Milk in powder or pastilles, weighing, with the immediate container, more than 5 kilos.	L.K.	0.40	0.30
Cheddar cheese, provided the container is so labelled	L.K.	New item	0.80
Animal fats, hydrogenated	G.K.	0.45	0.35
Hog lard in tank cars and tankers	N.K.	0.23	0.18
Hog lard in other containers.	G.K.	0.32	0.25
Onions	G.K.	0.03	0.02
Wheat	G.K.	0.10	0.06
Oats, hulled, even when triturated.	G.K.	0.15	0.10
Canned vegetable foods, not specified	L.K.	0.50	0.40
Canned asparagus	L.K.	0.50	0.40
Plums	G.K.	0.35	0.25
Peaches	G.K.	0.35	0.25
Fresh fruit, not specified	G.K.	0.35	0.25
Apples	G.K.	0.35	0.30
Pears	G.K.	0.35	0.25
Grapes.	G.K.	0.35	0.25
Sliced dried fruits of any kind.	G.K.	0.80	0.20
Prunes	G.K.	0.80	0.40
Raisins	G.K.	0.80	0.50
Walnuts, unshelled	G.K.	0.80	0.60
Walnuts, shelled	G.K.	1.00	0.80
Cereals, flour or feculas, rolled or conglomerated, cooked or toasted	L.K.	0.80	0.65
Barley in the grain	G.K.	0.05	0.04
Cottonseed	G.K.	0.08	0.06
Hops	L.K.	0.28	0.20
Raw tobacco, Virginia type	L.K.	2.30	2.00
Blades of iron or steel with or without cutting edge, for shaving razors, even when imported in series	100 pieces	2.50	2.30
Refrigerators of iron, even when enamelled, and those of wood with or without lining of ordinary metal, of any kind, weighing up to 200 kilos	L.K.	0.50	0.40
Refrigerators of iron, even when enamelled, and those of wood with or without lining of ordinary metal, of any kind, weighing more than 200 kilos	L.K.	0.45	0.35
Washstands, lavatories, bidets and drinking fountains of enamelled iron weighing more than 5 kilos, excluding valves and water-conducting pipes that are neither attached nor fastened	G.K.	0.30	0.25
Bathtubs of enamelled iron weighing more than 70 kilos, excluding valves and water-conducting pipes that are neither attached nor fastened	G.K.	0.30	0.25
Cotton cloth, woven with a base of cord and a tram of yarn, sufficiently separated one from the other to serve only to hold the cord (cloth ordinarily known as "cord" for making rubber tires)	L.K.	0.20	0.15
Velvet of wool and other animal fibres, except silk, weighing more than 400 grams per square metre, even if figured	L.K.	9.00	8.10
Mixtures of ethers and alcohols employed in the manufacture of varnishes or paints	L.K.	0.25	0.15
Bicarbonates of potassium and of sodium weighing with the immediate container more than 5 kilos, not specified	G.K.	0.07	0.04
Cosmetics, perfumed or not	L.K.	7.00	6.50
Boxes with cements, sheets of rubber, cloth impregnated with rubber, and rasps, for repairing tires or tubes.	L.K.	1.60	1.00
Bourbon and rye whisky, with alcoholic strength greater than 23 but not exceeding 55 centesimal degrees Gay-Lussac at a temperature of 15 degrees centigrade, in containers of wood or metal, provided the container is labelled to indicate the commercial identification of the product and the label is approved by the Treasury Department of the country of origin	L.K.	New item	2.25

	Dutiable Unit	Old Rate Pesos	Treaty Rate Pesos
Bourbon and rye whisky, with alcoholic strength greater than 23 but not exceeding 55 centesimal degrees Gay-Lussac at a temperature of 15 degrees centigrade, in containers of earthenware, porcelain, glass or others not specified, provided the container is labelled to indicate the commercial identification of the product and the label is approved by the Treasury Department of the country of origin	L.K.	New item	2.50
Bourbon and rye whisky, with alcoholic strength greater than 55 centesimal degrees Gay-Lussac at a temperature of 15 degrees centigrade, in containers of wood or metal, provided the container is labelled to indicate the commercial identification of the product and the label is approved by the Treasury Department of the country of origin	L.K.	New item	3.00
Bourbon and rye whisky, with alcoholic strength greater than 55 centesimal degrees Gay-Lussac at a temperature of 15 degrees centigrade, in containers of earthenware, porcelain, glass or others not specified, provided the container is labelled to indicate the commercial identification of the product and the label is approved by the Treasury Department of the country of origin	L.K.	New item	3.25
Beacons, lamps, lanterns, or reflectors of any kind, adapted for lighting by means of dry batteries or electric generators, weighing up to 5 kilos	L.K.	2.40	2.00
Mats or sheets of cork pulp with the exterior surface decorated with colours, and the underside reinforced with jute cloth or any other rigid vegetable fibre, called "linoleum"	L.K.	1.00	0.50
Threshers of any kind	G.K.	0.04	0.02
Passenger elevators, including the necessary equipment for operation, even if forming part of a building, in accordance with plans or catalogues required of importers	G.K.	0.06	0.02
Machines, not specified, operated by mechanical means, weighing up to 100 kilos each	G.K.	0.08	0.04
Machines, not specified, operated by mechanical means, weighing more than 100 kilos	G.K.	0.06	0.03
Sewing-machines, pedal or crank, weighing up to 100 kilos each	G.K.	0.10	0.05
Radio receiving apparatus, with cabinet	L.K.	1.20	1.00
Electric fans and ventilators of all kinds, weighing up to 20 kilos each	L.K.	0.80	0.50
Tubes for radio apparatus	Each	0.05	0.03
Separate parts and repair pieces, not specified, identifiable by marks, numbers or names that show their exclusive use for the mechanism of radio receiving or transmitting apparatus or by being of dimensions and construction that give them the same character, in accordance with catalogues required of the importer	L.K.	0.40	0.20
Calculating machines	L.K.	1.00	0.50
Machines for registering sales	L.K.	0.60	0.40
Apparatus for reproducing writing	G.K.	0.50	0.25
Stoves and heaters of any kind, not electric, weighing more than 40 but not more than 150 kilos each	G.K.	0.15	0.10
Apparatus for extinguishing fires, with up to six spare charges	G.K.	0.10	0.05
Spark plugs for combustion motors	G.K.	0.50	0.25
Pistons for combustion motors, weighing up to 5 kilos each	G.K.	0.50	0.45
Phonographic apparatus of any kind	L.K.	1.20	1.00
Phonographic apparatus combined with radio apparatus	L.K.	1.20	1.00
Separate parts and repair pieces, not specified, for exclusive use with phonographic apparatus	L.K.	1.20	0.60
Cinematographic apparatus and magic lanterns of any kind, weighing up to 20 kilos each	L.K.	1.00	0.50
Cinematographic apparatus and magic lanterns of any kind, weighing more than 20 kilos each	L.K.	0.60	0.50

	Dutiable Unit	Old Rate Pesos	Treaty Rate Pesos
Omnibuses of any kind, for any number of passengers ..	Each	2,000.00	1,600.00
Tractors of any kind, with any system of wheelage ..	G.K.	0.03	0.02
Separate parts and repair pieces of any kind, not specified, for automobile bodies	L.K.	0.80	0.40
Pneumatic rubber tires, weighing up to 10 kilos each, not specified	G.K.	2.00	1.60
Wheels with pneumatic rubber tires, with or without inner tubes, of any kind, for automobiles..	G.K.	2.00	1.60
Wheels of any kind, without tires, for automobiles, and hubs, spokes, and rims for the same	G.K.	1.00	0.75
Motors and their propelling mechanism, for automobiles, and their separate parts and repair pieces, not speci- fied, identifiable by presenting marks, numbers or names that characterize their exclusive use for auto- mobiles, or by being of the dimensions and construction that give them the same character, in conformity with catalogues required of importers	L.K.	0.30	0.20
Separate parts and repair pieces of any kind, not speci- fied, for automobile chassis	L.K.	0.80	0.40
Pneumatic rubber tires, when the diameter of the inner circumference, or that which corresponds to the wheel or rim, measures more than 60 centimetres across the extremity of the opening, not specified..	G.K.	0.50	0.30

Included in the decree of January 29 but not in the treaty is the following reduction:—

Hydrogenated vegetable oils	G.K.	0.45	0.35
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By a decree signed January 26, promulgated on January 28 and effective February 2, 1943, the following new item was added to the customs import tariff:—

Electrolytic zinc	G.K.	New item	0.03
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BRITISH TRADE COMMISSIONERS IN CANADA

Canadian importers and others desirous of obtaining information regarding the export trade of the United Kingdom and Canadian firms desirous of representing British manufacturers in Canada are invited to communicate with the undermentioned:—

The Senior British Trade Commissioner in Canada and Newfoundland, 56 Sparks St., Ottawa. Telegraphic address: "Sencom."

The British Trade Commissioner (for Quebec, the Maritime Provinces and Newfoundland), 1111 Beaver Hall Hill, Montreal, Que. Telegraphic address: "Britcom."

The British Trade Commissioner (for Ontario), 67 Yonge Street, Toronto, Ont. Telegraphic address: "Toroncom."

The British Trade Commissioner (for Alberta and British Columbia), 850 West Hastings Street, Vancouver, B.C. Telegraphic address: "Vancom."

The British Trade Commissioner (for Manitoba, Saskatchewan and Northwest Ontario), 703 Royal Bank Building, Winnipeg, Man. Telegraphic address: "Wincom."

NEW BOLIVIAN EXCHANGE RATE

Mr. M. J. Vechsler, Canadian Trade Commissioner at Santiago, cables that the Bolivian Government, by a decree-law effective February 13, 1943, has fixed the rate of exchange at 42.42 bolivianos to the United States dollar. The former rate, as reported in *Commercial Intelligence Journal* No. 2038 (February 20, 1943), page 162, was 46.46 bolivianos.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 1, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 1, 1943, and for the week ending Monday, February 22, 1943, with the official bank rate:—

Country	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending Feb. 22	Nominal Quotations in Montreal Week ending March 1	Official Bank Rate
Great Britain.	Pound	4.8666			
	Buying		\$4.4300	\$4.4300	2
	Selling		4.4700	4.4700	—
United States.	Dollar	1.0000			
	Buying		1.1000	1.1000	1
	Selling		1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
	Bid		4.4200	4.4200	—
	Offer		4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
	Official		.3304	.3304	3½
	Free		.2626	.2632	—
Brazil	Cruzeiro (Paper)	.1196			
	Official		.0673	.0673	—
	Free		.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
	Official		.0574	.0574	3-4½
	Export		.0444	.0444	—
Colombia.	Peso	.9733	.6351	.6351	4
Venezuela	Bolivar	.1930			
	Official		.3313	.3313	—
	Free		.3330	.3330	—
Uruguay.	Peso	1.0342			
	Controlled		.7307	.7307	—
	Uncontrolled		.5862	.5862	—
South Africa.	Pound	4.8666			
	Bid		4.3862	4.3862	3
	Offer		4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
	Bid		4.5380	4.5380	—
	Offer		4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
	Bid		3.5300	3.5300	3
	Offer		3.5760	3.5760	—
New Zealand.	Pound	4.8666			
	Bid		3.5440	3.5440	1½
	Offer		3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL.

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1942. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metr  pole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attach  . Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfracom.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

Issued Every Saturday by the Department of Trade and Commerce

Minister:

Hon. James A. MacKinnon, M.P.

Acting Deputy Minister:

Oliver Master

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SHIPPING SPACE FOR EXPORTS TO BRITISH HONDURAS

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, February 25, 1943.—Arrangements have now been concluded with the Shipping Control Authorities in Jamaica whereby limited cargo destined for British Honduras may be forwarded to Jamaica for transshipment at Kingston, thence by motor schooner to Belize. Applications for space should be sent direct to the Chairman, Imports, Exports and Prices Board, Kingston, Jamaica, and a copy supplied to Mr. A. Leys Brown, 530 Mountain Street, Montreal.

Arrangements for transshipment at Kingston should be made with the agents of the operators of the Kingston-Belize Service, Messrs. Jacobs Commercial & Shipping Agency, 5 Port Royal Street, Kingston, Jamaica, and a copy of the application sent to the Canadian Trade Commissioner at Kingston, who will be glad to assist in arranging for space. These arrangements are contingent on space being available after Jamaica's requirements are filled.

SUPPLIES OF FISH FOR THE CHICAGO MARKET IN 1942

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, February 24, 1943.—Despite the purchase and charter of fishing craft by the Navy and Army, and the drafting of fishermen and boat personnel into the armed forces and war industries plants, Chicago received 68,167,000 pounds of fresh and frozen fishery foods during 1942, an increase of 4 per cent over 1941. Receipts of fresh-water fish increased by 8 per cent to 35,912,000 pounds, salt-water varieties by 2 per cent to 21,913,000 pounds, while shellfish declined by 2 per cent to 10,342,000 pounds.

SOURCES OF SUPPLY

During 1942 fresh and frozen fishery products were received from thirty-six States, Alaska, and eight of the Canadian provinces. Wisconsin was the leading producer of fresh-water fish for the Chicago market, shipping 8,596,000 pounds, or 24 per cent of the fresh-water total. Wisconsin's shipments increased by 7 per cent over those received during 1941, with heavier shipments of carp, frozen lake trout, sheephead, and suckers accounting for the gain. Michigan produced 7,849,000 pounds, or 22 per cent of the fresh-water receipts, a 28 per cent increase over the figure for 1941. Massachusetts was the leading domestic shipper of salt-water fish with 8,013,000 pounds, representing 35 per cent of the salt-water and 3 per cent of the shellfish total. However, 1942 receipts from Massachusetts declined by 11 per cent from the 1941 total, a pronounced drop in the volume of frozen rosefish fillets being the main factor. Louisiana was the most important Gulf state supplying this area, shipping shellfish to the amount of 4,696,000 pounds, or 45 per cent of the total for this classification.

Heavier shipments of fresh and frozen shrimp resulted in a 7 per cent increase over those of 1941. Of the Canadian provinces British Columbia led with a total of 9,338,000 pounds, of which about 7,845,000 pounds were taken by United States vessels and shipped through Canada in bond. Receipts from British Columbia made up 43 per cent of the salt-water total, which increased by 13 per cent over the 1941 volume with fresh and frozen halibut contributing mainly to this gain. Ten states and two provinces accounted for 88 per cent of Chicago's receipts as follows: British Columbia, 14 per cent; Wisconsin, 13 per cent; Massachusetts and Michigan, 12 per cent each; Manitoba, 10 per cent; Louisiana, 7 per cent; Minnesota, 5 per cent; and Iowa, New York, Ohio, Texas and Washington, 3 per cent each.

During 1942 a total of 103 classifications of fresh and frozen fishery products were received, consisting of 47 salt-water, 38 fresh-water, and 18 shellfish and miscellaneous items. Receipts from domestic sources amounted to 47,694,000 pounds, or 70 per cent of the total. Imports, all from Canada, accounted for the remaining 30 per cent, or 20,473,000 pounds.

TRANSPORTATION

The largest portion of Chicago's fishery supplies, or 37 per cent, arrived by motor truck; rail freight carried 35 per cent, and rail express 28 per cent. It is significant, in view of war restrictions, that motor trucks although the number used in 1942 declined by 2 per cent from the 1941 total, remained a fairly constant transportation factor throughout the year. Rail freight arrivals also declined by approximately 2 per cent from 1941, due principally to a lesser use of this carrier for shipments from the Atlantic coast. Counteracting the decline in truck and freight usage was a 23 per cent increase in rail express shipments, influenced to a considerable extent by the trend toward larger quantities and quicker deliveries of fresh fish. The trend in Canadian shipments was toward a greater use of the railroads, with express deliveries increasing by 22 per cent and freight shipments by 6 per cent, while those by truck declined by 26 per cent.

More than half of the truck shipments (64 per cent) consisted of fresh-water varieties and almost 90 per cent was from domestic sources. Express shipments also were mostly of fresh-water fish, and about 70 per cent originated in the United States. Freight shipments were more evenly divided, 49 per cent being salt-water classifications, equal amounts of which were of foreign and domestic origin.

TYPES OF FISH RECEIVED

The leading species received during the year were fresh and frozen halibut, shrimp, and lake trout. Halibut, totalling 8,977,000 pounds, increased by 7 per

cent and accounted for 13 per cent of the total volume. Shrimp followed with 7,119,000 pounds, a gain of 1 per cent, and accounted for 10 per cent of the total receipts. Lake trout totalled 6,417,000 pounds, a gain of 5 per cent, and made up 9 per cent of the total volume.

Fresh and frozen fishery products trends are indicated by the fact that receipts of blue pike from the eastern section of the Great Lakes region increased by 219 per cent, showing a specific demand and market for this species as a replacement. The percentage change for frozen varieties is in contrast with last year, when the trend was largely away from the fresh commodity and toward the frozen. Nine frozen varieties showed gains and 9 showed declines in 1942. Of the 23 species listed, shipments of 16 fresh varieties increased while those of 7 declined. This indicates a trend toward the wider use of fresh fish and reduced consumption of frozen items except in the cases of pickerel, sole fillets, mackerel, and whiting fillets, which met with a fair degree of success in replacing frozen haddock fillets, salmon, and rosefish fillets. Also indicative of the fresh-fish trend is the fact that, while frozen fishery products of all kinds accounted for 33 per cent of the 1942 receipts, in 1941 frozen fish of all kinds made up 36 per cent. This represents a decline for frozen fish in 1942 of close to a million pounds, or approximately 5 per cent.

By monthly comparison, total receipts on the Chicago market were heaviest during October, followed by November and March, and least during May, while arrivals from Canada were greatest during January, February and March.

IMPORTS FROM CANADA

The following tables list, under mode of transportation and by provinces, the species and quantities in pounds of fishery products received from Canada during 1942 with 1941 totals for comparison:—

Imports of Canadian Fish into the Chicago Market

	Truck	Express	Freight	1942 Total	1941 Total
	Figures in Pounds				
Alberta—					
Lake trout		135,700	.....	135,700	415,850
Lake trout, frozen			201,104	201,104	280,193
Pickrel (jacks)	5,082	.....	606	5,688	1,350
Whitefish	13,466	131,958	5,600	151,024	127,604
Whitefish, frozen			85,287	85,287	215,262
Yellow perch	925	.....	2,000	2,925	500
Yellow pike	4,072	8,300	19,955	32,327	19,654
Yellow pike, frozen			806	806	4,945
Total	23,545	275,958	315,358	614,861	1,065,358
British Columbia—					
Sturgeon, frozen .....			.....	.....	7,000
Halibut		351,559	.....	351,559	466,883
Halibut, frozen			799,928	799,928	336,232
Sablefish, frozen			87,237	87,237	2,000
Salmon, chum (fall), frozen .....			.....	.....	89,000
Salmon, king (chinook)		152,063	.....	152,063	63,425
Salmon, king (chinook), frozen			7,000	7,000	24,000
Salmon, silver		10,257	.....	10,257	25,295
Salmon, silver, frozen			61,000	61,000	167,500
Salmon, unclassified, frozen			2,000	2,000	.....
Sole, gray			1,000	1,000	.....
Sole, fillets			6,000	6,000	.....
Sole, fillets, frozen			15,000	15,000	5,000
Total		513,879	979,165	1,493,044	1,186,335
British Columbia, in bond—					
Cod			4,169	4,169	.....
Cod, fillets, frozen			1,100	1,100	.....
Flounders .....			.....	.....	2,000
Halibut		2,735,281	.....	2,735,281	2,127,234

Imports of Canadian Fish into the Chicago Market—Con.

	Truck	Express	Freight	1942 Total	1941 Total
British Columbia, in bond— <i>Con.</i>					
	Figures in Pounds				
Halibut, frozen		4,000	3,742,019	3,746,019	3,554,946
Rockfish, frozen			12,184	12,184	.....
Sablefish		265		265	.....
Sablefish, frozen		38,780	294,175	332,955	329,838
Salmon, chum (fall)		9,200		9,200	.....
Salmon, chum (fall), frozen			159,127	159,127	210,461
Salmon, king (chinook)		92,038		92,038	63,629
Salmon, king (chinook), frozen			127,488	127,488	125,973
Salmon, silver		119,749		119,749	114,201
Salmon, silver, frozen			502,402	502,402	557,500
Sole fillets, frozen			2,000	2,000	.....
Steelhead trout					10,000
Unclassified			1,000	1,000	345
Total in bond		2,999,313	4,845,664	7,844,977	7,096,127
Total British Columbia		3,513,192	5,824,829	9,338,021	8,282,462
Manitoba—					
Bullheads	1,347	1,764	350	3,461	1,177
Carp		3,250		3,250	.....
Catfish					105
Chubs		7,745		7,745	.....
Lake trout	12,042	89,735	7,495	109,272	37,992
Lake trout, frozen	27,762		3,050	30,812	3,821
Pickarel (jacks)	28,865	29,491	22,943	81,299	48,730
Pickarel (jacks), frozen	17,132		2,361	19,493	3,646
Sauger	577,197	143,333	999,465	1,719,995	2,535,410
Sauger, frozen	100,333		2,004,824	2,105,157	2,300,673
Sheepshead		926		926	.....
Sturgeon	1,080			1,080	603
Suckers	1,911	56,258	26,785	84,954	13,607
Sunfish		2,775		2,775	.....
Tullibee	71,572	3,046	2,000	76,618	36,938
Tullibee, frozen	226,104		80,064	306,168	392,987
Whitefish	297,131	397,187	9,112	703,430	317,229
Whitefish, frozen	72,572		77,475	150,047	255,963
Yellow perch	116,680	97,532	164,823	379,035	538,707
Yellow perch, frozen			7,599	7,599	39,501
Yellow pike	265,254	329,436	408,366	1,003,056	671,464
Yellow pike, frozen	22,138		69,015	91,153	84,090
Unclassified		5,461	830	6,291	500
Total	1,839,120	1,167,939	3,886,557	6,893,616	7,283,143
Saskatchewan—					
Lake trout, frozen			2,729	2,729	6,908
Pickarel (jacks)	4,350	400	700	5,450	4,250
Pickarel (jacks), frozen			17,970	17,970	4,305
Sauger, frozen		4,295		4,295	.....
Whitefish	25,939	29,265		55,204	.....
Whitefish, frozen	16,000		312,615	328,615	399,597
Yellow pike	16,050	45,950	68,550	130,550	75,600
Yellow pike, frozen			57,401	57,401	52,993
Total	62,339	79,910	459,965	602,214	543,653
New Brunswick—					
Smelt, frozen			18,995	18,995	90,042
Cod, fillets, frozen					12,000
Haddock, fillets, frozen					32,000
Mackerel, frozen			2,000	2,000	.....
Whiting, fillets, frozen					13,000
Lobsters		102,975		102,975	112,953
Lobster meat		1,031		1,031	1,209
Total		104,006	20,995	125,001	261,204
Nova Scotia—					
Smelt, frozen					7,729
Cod	3,000			3,000	.....
Cod, fillets, frozen			493,292	493,292	274,670
Flounders			28,906	28,906	13,700
Flounders, frozen			4,500	4,500	.....
Haddock, fillets, frozen			261,511	261,511	130,598

	Truck	Express	Freight	1942 Total	1941 Total
Nova Scotia— <i>Con.</i>					
	Figures in Pounds				
Herring, sea (sardine)			235,831	235,831	.....
Mackerel, frozen			41,753	41,753	31,000
Pollock, fillets, frozen			8,610	8,610	.....
Rosefish, fillets, frozen			44,235	44,235	35,132
Sole, fillets			570	570	5,000
Sole, fillets, frozen			19,935	19,935	30,886
Swordfish, frozen					7,800
Whiting, fillets, frozen					29,187
Wolfish (catfish)			74,127	74,127	26,732
Unclassified					149
Lobsters		300		300	640
Scallops, sea			17,330	17,330	.....
Spiny lobster tails, frozen					5,000
Squid, frozen					500
Total	3,000	300	1,230,600	1,233,900	598,723
Ontario—					
Blue pike	234,544	51,056	100,885	386,485	54,126
Buffalofish		150		150	.....
Bullheads	1,400	1,691		3,091	6,281
Burbot		70		70	.....
Burbot, fillets, frozen			24,220	24,220	.....
Carp					164
Catfish	675	10,889		11,564	30,703
Chubs	525	3,855		4,380	27,206
Cisco		120		120	140
Crappie	225	3,469		3,694	1,655
Eels	550	7,305		7,855	15,872
Lake herring	9,671	440		10,111	3,048
Lake trout	163,573	209,516		373,089	392,626
Menominee	1,423	399		1,822	3,875
Pickarel (jacks)	3,080	7,131		10,211	7,560
Rock bass		3,966		3,966	3,605
Sauger	13,569	11,468		25,037	14,771
Sauger, frozen					14,325
Sheepshead	13,075	2,690		15,765	21,283
Sturgeon	182	558		740	4,461
Suckers	667	428		1,095	2,370
Sunfish	3,198	39,936		43,134	27,143
Tullibee, frozen	632			632	.....
White bass	17,016	4,045	140	21,201	29,546
Whitefish	112,746	243,569		356,315	445,360
Whitefish, frozen					22,000
Yellow perch	99,469	98,760		198,229	420,063
Yellow pike	19,053	20,982		40,035	65,595
Unclassified		11,007		11,007	5,517
Total	695,273	733,500	125,245	1,554,018	1,619,295
Quebec—					
Eels		8,756	41,805	50,561	16,945
Sturgeon					60
Yellow perch		1,500		1,500	.....
Cod, fillets, frozen			59,350	59,350	26,030
Total		10,256	101,155	111,411	43,035
Total from Canada	2,623,277	5,885,061	11,694,704	20,473,042	19,696,873
Chicago market import totals	24,937,202	19,448,126	23,782,029	68,167,357	65,569,161

UNITED STATES PRICE CEILING ON FROZEN CANADIAN SMELTS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 1, 1943.—After carefully considering the effect of the General Maximum Price Regulations on Canadian smelts marketed in the New York, Philadelphia and Boston areas, the Office of Price Administration announced that, effective January 21, 1943, specific prices for these fish would rule in the wholesale markets in these three cities. Taking into account the prices ruling between October 1 and October 15, 1941, and in consultation with the trade, the Price Administrator, by Order MPR 303, made adjustments in the

regulations under which individual sellers' prices in March, 1942, were ruled to be their ceilings. The specific maximum prices that were established by the new order were not below the average prices for the year 1941 and were considered generally fair and equitable.

In view of the fact, however, that freight and brokerage charges were higher for frozen Canadian smelts sold in New York and Philadelphia than for those disposed of in Boston, the ceilings applying in the two former markets were, by an amendment to the order, raised by 1 cent per pound, effective February 20, 1943. The permitted maximum prices as they now stand are therefore as follows:—

Maximum Prices of Frozen Canadian Smelts

Grade	New York and Philadelphia Per Lb.	Boston Per Lb.
Extra	\$0.25	\$0.24
No. 1	0.16	0.15
Medium	0.09	0.08
Dressed	0.26	0.25

These regulations apply to natural or artificially frozen Canadian smelts, and the recognized grades are defined in the original order as follows: Extra: a whole smelt 7 inches or more in length; No. 1: a whole smelt $5\frac{1}{2}$ to 7 inches in length; Medium: a whole smelt 4 to $5\frac{1}{2}$ inches in length; Dressed: No. 1 smelts beheaded and eviscerated, sold principally in the Boston market.

EFFECT OF THE PRICE REGULATION

While the revised price ceilings have, generally speaking, been acceptable to the wholesale trade in all three areas, their influence on the market for Canadian smelts this season has not been marked. This, of course, is due to the fact that the Canadian smelts have been in very short supply this year. At the beginning of the season too, there was some tendency to hold up shipments pending the establishment of definite ceilings, which, it was felt, would in most cases be slightly higher than many of the wholesalers' individual March ceilings.

These two factors, together with certain transportation delays in January due to weather conditions, have severely restricted the trade in Canadian smelts, and dealers in all three principal markets have expressed keen disappointment at being unable to obtain more than a small proportion of their normal requirements. This is particularly unfortunate in view of the present shortage of all types of fish and the higher prices prevailing for unprocessed fish, which are not subject to price control.

NEW ZEALAND DAIRY PRODUCTION

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, February 1, 1943.—The report of the New Zealand Dairy Board for the year ended July 31, 1942, shows that during that period the production of butter totalled 103,326 tons, a decrease of 25 per cent from the figure of 139,444 tons recorded for the previous season, and the production of cheese increased by 28·7 per cent, from 118,899 tons to 153,074 tons.

Butterfat production during the 1941-42 season decreased by over 9 per cent from the output for the preceding year, the total being just over 370,000,000 pounds. The number of cows milked was 1,777,239 as against 1,779,603 in the 1940-41 season.

EXPORTS

New Zealand exports of butter in 1941-42 totalled 1,991,032 cwts. valued at £13,887,046 as compared with 2,578,777 cwts. valued at £17,824,100 in

1940-41. Exports of cheese in the same years were 2,496,548 cwts. valued at £10,692,295 and 2,326,811 cwts. valued at £9,421,004 respectively.

The decline in butterfat production of 9 per cent is attributed partly to unfavourable weather and partly to the shortage of farm labour. The fact that the industry was required to produce less cheese and concentrate on butter to meet the altered requirements of Great Britain had some effect also. A change-over from all-out butter production to all-out cheese production in the preceding year necessitated some reorganization within the industry.

DRIED BUTTERFAT

The development of a process for the production of butterfat suitable for export (see *Commercial Intelligence Journal* No. 2001; June 6, 1942, page 594), has been of considerable financial benefit to the industry. It is estimated that during 1941-42 from £300,000 to £350,000 has been saved by treating whey and second-grade butters for export. These butters could not have been exported as they were, and no profitable outlet could be found for them on the local market. Full particulars of this dehydration development in New Zealand are available on application to the Department of Trade and Commerce, Ottawa.

CONTROLLED PRICES FOR SOUTH AFRICAN IMPORTS OF HOSIERY

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes under date November 9, 1942, that by virtue of Government Notice No. 861, published on November 6, 1942, by the Controller of Textiles, maximum prices are specified for certain varieties of hosiery when imported from abroad. Applications for import permits will not be recommended unless the f.o.b. prices are stated in the applications and are not in excess of the following: pure silk, 72s. per dozen; rayon, 48s. per dozen; lisle, 42s. per dozen.

PRICE CONTROL IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, December 8, 1942.—Certain amendments have been made to the South African Price Control Regulations, a report upon which was published in *Commercial Intelligence Journal* No. 2020 (October 17, 1942), page 345. These changes, which became effective on September 25, leave the "factor" system as the corner-stone of South African Price Control, and the factor continues to be based on cost and profit margins in 1939. It is now provided, however, that the Price Controller may alter the basic period to a more recent one. It is also stipulated that the fixing of prices by specific notice and by publishing standard mark-ups will be further developed. Where maximum prices or profit percentages are not laid down, a trader will arrive at his price for a commodity under the factor system. That is to say, to his cost, as defined, he adds the percentage of profit which he took during the six months ending August 31, 1939, on that commodity, reduced as his costs have risen.

In future, too, clear records as to how prices are arrived at must be kept and made available to Control Inspectors. Whereas previously it was an offence against the regulations if a sale actually took place and prices were not in conformity with those which had been fixed, it is now also made an offence to sell, expose, display or advertise a commodity for sale at an excessive price. The purchaser as well as the seller is now made liable. It is further provided that the Controller can now regulate the price charged for any form of service.

The scope of price control is also extended by the amending proclamation to include goods for export and those sold as ships' stores. Prices of these are now brought into line with those fixed for similar goods when sold for domestic consumption. Other alterations deal with the sale of farm produce when the seller is himself the producer, dealers selling to dealers, the re-sale of retailers' goods, the re-purchasing of goods, manufacturers' raw materials, and questions pertaining to invoices, records, inducements and refunds.

ECONOMIC CONDITIONS IN COLOMBIA IN 1942

M. T. STEWART, ACTING TRADE COMMISSIONER

Panama City, February 26, 1943.—The general economic situation in Colombia at the close of 1942 may be considered favourable in view of the serious difficulties and growing restrictions the world conflict has imposed on most of the country's major economic activities. Year-end balance sheets indicate that Colombia in general has experienced a most satisfactory period. The semi-annual balance sheets of the banks have all been published and show increased profits. The statements of the textile mills are now being made public, and the profits for the six months have been high. These concerns have apparently had a successful half-year, and in many cases stock dividends have been distributed in addition to the usual interest payments. Bank clearings showed a 12·2 per cent increase over those for 1941 throughout the Republic and 20·4 per cent in the city of Bogota. The Belsa movement (Stock Exchange) reached a new high of 42,733,000 pesos, an increase of 23 per cent, and the index figures for shares in December, 1942, was 150 as compared with 115 in December, 1941. Purchases of shares continued particularly heavy throughout January in view of the very favourable balance sheets expected from the banks and industrial concerns. Deposits continued to accumulate in the banks, and the reserves of the Banco de la Republic gold and dollar balances, which in December, 1941, stood at 38,733,000 pesos, increased by 177 per cent and on December 31, 1942, amounted to 107,096,000 pesos.

Real estate transactions showed an increase in the principal cities of the Republic. For Bogota the increase was 6 per cent, and Medellin recorded an increase of 59 per cent. New construction in Bogota during the year showed a slight increase despite the scarcity and high cost of construction materials.

AGRICULTURE

Colombia has been fortunate in effecting shipments of its coffee crop, and since the beginning of the new quota year (October 1) exported 37 per cent of its quota, or over 1,000,000 bags, in three months. The harvesting of the new crop has been completed, and it is reported to be of normal yield and good quality. It has been moving slowly, due to transportation difficulties, but the demand from the United States has been good, and the industry is in a healthy condition.

Cattle prices have held up well and show indications of reaching firmer levels. This important business is on a sound basis, and pastures are in good condition. There is no surplus of fat cattle, and the demand continues steady.

The coast cotton crop is expected to yield 800,000 arrobas (1 arroba equals approximately 25 pounds), and the quality is said to be reasonably satisfactory. Deliveries will probably be slow, due to transportation difficulties, as Colombia is also experiencing a tire shortage, and the highways have been damaged by unusually heavy rainfall. It is reported that the Ministerio de Economia

Nacional is arranging to employ four or five cotton experts from Brazil to instruct Colombians in the proper method of cotton production and others in the method of classifying cotton.

The sugar industry has also continued on a highly satisfactory basis, although at the end of the year a decrease in the price of sugar was announced, due to the fact that new mills will shortly come into production. The carry-over at the year's end amounted to 300,000 bags, and apparently a point has been reached where local demands have fallen below production, and export markets must be developed.

MINING

Some of the unfavourable factors are the reduction in gold production of 9.1 per cent owing to wartime difficulties affecting the importation of machinery equipment and other necessary materials for gold exploitation. The total output for the year was 596,618 ounces as compared with 656,019 ounces in 1941. The 1942 production was valued at U.S.\$20,881,630.

The production of petroleum fell from 24,639,000 barrels in 1941 to 10,590,000 barrels in 1942, a decrease of 57 per cent. This became more pronounced in the latter months of the year, and production in December, 1942, was only 188,000 barrels as against 2,221,000 barrels for the same month in 1941. The decrease is attributed to lack of tankers.

COST OF LIVING

The cost of living increased steadily throughout the year, the world situation having brought higher prices for many articles, and, with no price control regulations in effect, dealers in native food products, drugs and other necessities of life seized the opportunity to realize extraordinary profits. The Government is fully aware of the dangers of this inflationary tendency and is planning to pass legislation that will give the chief executive the power to stop speculation and fix prices. The measure contemplates the fixing of maximum prices and the provision of penalties for violation of the regulations. The Government may be authorized to import foodstuffs, with the right to finance purchases and to create for the duration of the war an economic defence board of five members to be appointed by the President.

PUBLIC FINANCE

National revenue showed a heavy increase during the latter part of 1942, and this should help to reduce to a considerable extent the deficit in the public accounts, which has been causing the Government considerable concern. A new fiscal plan, put into effect December 18 and approved unanimously by the late Congress, is considered to provide an effective solution for the Republic's pressing fiscal problems. The plan was well received by the people and the new economic defence bonds are quoted on the Belsa at 96 per cent.

On December 21, 1942, the Colombian Exchange Control Office issued instructions regulating the procedure to be followed by the Bank of the Republic in purchasing foreign drafts deriving from exports, purchases of metals, and new capital brought into the country. In making the great majority of such purchases henceforth, a portion of the value will be paid in national economic defence bonds, rather than entirely in cash as heretofore. New capital brought into the country will be converted in the proportion of 20 per cent in bonds and 80 per cent in cash.

VENEZUELA'S WARTIME ECONOMY

From the London Chamber of Commerce Journal

Few countries of Latin America have felt the effects of the war more than Venezuela, whose production of petroleum for the Allied war machine has made an important contribution to the cause of the United Nations. Reductions in petroleum shipments, due to the position in the Caribbean area, have had repercussions on the economy of the country, and the war has also presented two major problems for Venezuelan agriculture, the first being the loss of former European markets, and the second the need for increasing the domestic production of foodstuffs in order to reduce the country's dependence on imported supplies.

AGRICULTURAL AND FOREST PRODUCTS

According to *Foreign Commerce Weekly* (Washington, D.C.), the United States is now the chief buyer of coffee from Venezuela, taking 67 per cent in 1941. Argentina was the second most important buyer, but shipments to Europe have continued to decrease. The cocoa crop, which next to coffee is Venezuela's most important agricultural export, totalled over 12,200 metric tons in 1941, all of which was exported; the country's normal production of cocoa is 18,000 metric tons. Venezuela has been able to find buyers elsewhere for most of its agricultural products, but the problem of increasing home production of foodstuffs remains unsolved, although the present agricultural program is giving particular attention to increasing the cultivation of rice, potatoes and oil seeds. The country is also increasing the exploitation of its forest products, the most important of these in the war effort being rubber, balata and quinine bark. From the almost unknown and untapped sources of raw rubber in the Orinoco Basin, Venezuela hopes not only to obtain sufficient rubber for its domestic use but also to be able to supply important quantities to the United States.

IMPETUS TO MANUFACTURING

The war has given considerable impetus to Venezuelan manufacturing, since increasing difficulties to commerce have made local manufacturing more profitable. Not only has impetus been given to the development of industry already established, but the creation of new enterprises has been fostered. In view of the difficulties of securing merchandise, and for the purpose of developing domestic industry, the Ministry of Development has called on industrialists to co-operate in a program of increased production.

The Government is continuing its program of aid to new industries by extending credits through the Banco Industrial, by providing technical information and propaganda, and by granting exemptions from import duties on machinery and raw materials. In 1941 these import duty exemptions amounted to over 15,000,000 bolivares, or almost four times the exemptions granted during the preceding year. Among the more important industries showing increased activity are textiles, meat packing, tires and cement. Textiles are the largest manufacturing group in Venezuela, and the textile industry has registered an increase in production of more than 33 per cent during recent months. Among industrial developments should be noted the establishment of a branch factory of an American rubber manufacturing company. This plant, located near

Caracas, began operations late in 1941, but its limited stocks of raw rubber have prevented it from operating at capacity, which is approximately 5,000 tires per month. Efforts are being made to meet the raw-material needs of this company from local rubber production.

MEAT CANNING

Of considerable importance to Venezuelan food supply is the recently completed meat-canning plant at San Fernando de Apure. Located in the centre of the cattle-raising district, the government-owned canning plant will help to solve some of the problems of distribution faced by this industry. Not only will the product be more readily available to local consumers, but canned meat may become a more important export, particularly to the nearby islands of Aruba and Curacao. A contract has been approved providing for the establishment of a new cement plant at Guanta, the output of which would increase by half the domestic production of cement.

PETROLEUM AND OTHER MINERAL DEVELOPMENTS

Venezuelan petroleum has been playing an important and vital role in this war. As the chief oil exporting country in the world, Venezuela has been a main source of supply for the United Nations. An all-time record in Venezuelan oil production was achieved in 1941, with output soaring to 33,353,770 metric tons and placing Venezuela second among the world's oil-producing countries. The 1941 production represented an increase of 21.5 per cent over the 1940 output.

The only other important minerals beside petroleum produced in Venezuela are gold and diamonds. The Venezuelan production of the latter consists chiefly of industrial diamonds, which are of particular value to the war effort. During recent months important steps have been taken toward the development of the large iron ore deposits of El Pao, near San Felix, on the Orinoco River, by a subsidiary of a prominent American steel corporation. This development, which is not scheduled for actual mining operations for another three or more years, is providing employment for some 400 men.

NO UNWIELDY EXPORT STOCKS

Up to this time it does not appear that Venezuela has suffered seriously from loss of certain European markets, particularly for coffee and cocoa. There are no unwieldy stocks of these exports accumulating, since increased purchases by the United States and other countries have helped to replace the former dependence on purchases by Germany, France and other markets in continental Europe.

The most serious foreign trade problem of Venezuela is the difficulty now encountered in obtaining imports. This involves the question of the shortage of available shipping, as well as that of essential goods. Not only have there been shortages of wheat flour, rice and other vital foodstuffs, but also inability to secure larger imports of machinery, iron reinforcing rods and other similar products has threatened to curtail seriously the public works program and many industrial activities of the country. This is true despite the fact that the United States is making every effort to furnish out of its own restricted stores the essential requirements of the Latin American countries.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to December 31, 1942.

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to December 31, 1942	
			Quantity	Per Cent
Cattle (700 lb. or more)Head	225,000	3 to 1½c. per lb.	116,548	51.7
Cattle (less than 200 lb.)Head	100,000	2½ to 1½c. per lb.	67,204	67.2
Whole milkGal.	3,000,000	6½ to 3¼c. per gal.	6,004	0.2
CreamGal.	1,000,000	56½ to 28¾oc. per gal.	861	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefishLb.	17,174,495	2½ to 1½c. per lb.	16,514,622	94.9
Seed potatoesBu.	1,500,000	75 to 37½c. per 100 lb.	455,696	30.3
	beginning Sept. 15, 1942			
White or Irish potatoes, other than seed potatoesBu.	1,000,000	75 to 60c. per 100 lb.	9,010	0.9
	beginning Sept. 15, 1942	Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30		
Red cedar shinglesSq.	2,617,111	Free	2,617,111	Quota filled
Silver or black foxes, furs and articles:				
*Foxes valued under \$250 each and whole furs and skinsNo.	100,000	50 to 35% ad val.	11,301	11.3
	beginning Dec. 1, 1942			
TailsPiece	5,000	50 to 35% ad val.	462	9.2
	beginning Dec. 1, 1942			

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

During the fourth quarter of 1942 Canada shipped 54 head of cattle weighing 700 pounds or more, other than dairy cattle, to the United States out of a quarterly allotment of 51,720 head provided by the trade agreement. The fourth quarterly allotment of 6,214 head from countries other than Canada was filled, and receipts over and above this number were subject to the full rate of tariff.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 63, effective March 2, 1943, the Export Permit Regulations are amended as follows:—

Regulation 5 is cancelled and the following is substituted therefor:—

5. In accordance with Paragraph 5 of Order in Council P.C. 2448 of April 8, 1941, as amended, no person shall export any goods to any country, other than parts of the British Empire or the United States, without first having obtained an export permit, except as provided in Regulation 34.

The following commodities, included in Group 2 (Animals and Animal Products) are now exempt from requiring an export permit only when shipped to any part of the British Empire or to the United States: Furs and fur skins;

herring, Atlantic, pickled, of a grade or quality known as "Tropics"; and herring, Atlantic, bloaters.

NOTE:—In accordance with the above Regulation 5, based on Paragraph 5 of Order in Council P.C. 2448 of April 8, 1941, which was amended by Order in Council P.C. 1685 of March 2, 1943, effective March 2, shipments of commodities not listed in the "Schedule of Commodities for which an Export Permit is Required" now require export permits for shipment to any destination outside the British Empire and the United States. This amendment affects mainly shipments to Latin American countries, since all shipments over \$5 in value to Latin American countries (including Mexico) now require an export permit, with the following two exceptions only: (1) shipments made by official government agencies, etc., as provided in Export Permit Regulation 34; and (2) newsprint, which is still exempt from requiring a permit when shipped to any part of the British Empire or to the Western Hemisphere, exclusive of French colonies or possessions therein.

TARIFF CHANGES AND TRADE REGULATIONS

Jamaica

TRADE RESTRICTIONS ON NEWSPRINT RELAXED

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that, as from February 22, 1943, the restrictions on the use of newsprint in that Colony were somewhat relaxed by an Order superseding that effective September 1, 1942.

The latter limited the size of daily and weekly newspapers to six pages per copy and that of magazines and periodicals to one-fourth of the average size published during the year ending July 31, 1941. These limits have now been raised to eight and one-third respectively.

It is further provided that the Sunday issue of a daily paper shall be considered a weekly publication instead of a daily, as hitherto, and that such a paper may print during the other days of the week an aggregate of fifty pages.

British Guiana

CHANGES IN IMPORT CONTROL REGULATIONS

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reports that the Controller of Supplies, British Guiana has issued the following notices:—

February 1: In accordance with instructions received from the Secretary of State for the Colonies, no further licences will be issued for the importation from South American countries of canned meats, including mixed rations but excluding canned sausages or hams, frozen meats and casings.

February 5: Notice is given that applications will be received for consideration for licence to import from any source paper serviettes, handkerchiefs, doyleys, towels, plates and cups, and wooden spoons and forks.

February 6: Importers of foodstuffs from the United Kingdom are notified that all outstanding import licences are revoked for foodstuffs, including essences, milk foods, meat extracts, and patent cereal foods for infants, not shipped from the United Kingdom before February 12, 1943.

Peru

CUSTOMS RESOLUTIONS AFFECTING BOOKS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, advises that a recent Peruvian governmental resolution confirms that books in general may be

imported into Peru by mail without payment of duties or taxes with the exception of the unemployment fund tax, which is collectible. The latter tax which is 1 per cent ad valorem, is based on the theoretical retail value, this being the invoice value plus 20 per cent thereof. The Ministry of Finance, through the Government Inspection of Prices, will ensure that imported books continue to be sold to the public at reasonable prices.

Trade catalogues are dutiable at the rate of one sol per kilo gross weight (17.1 cents per 2.2 pounds gross). Luxury editions are dutiable at higher rates under other headings of the tariff.

TRADE-MARK REGULATIONS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, advises that in the opinion of the Peruvian Government the terms of the trade-mark law are too elastic and in certain cases have at one time given protection to several articles under a single number in the official nomenclature. By a Supreme Decree dated September 30, 1942, groups of articles hitherto included under one heading will not be so considered, in order to avoid preferential treatment. Each application must, hereafter, be for a specific item corresponding strictly to the number and description laid down in the nomenclature. A new nomenclature conforming to modern trade developments is being studied and will probably be published at an early date.

CONTROL OF GLASS AMPOULES

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that, under a decree of December 9, 1942, glass ampoules used in Peru as containers for medicinal and injectable solutions must conform to the conditions prescribed in the 1937 edition of the French Codex Medicamentarius, that is to say they must be of neutral reaction or completely sterile.

The Department of Pharmacy and Applied Chemistry will take samples for analysis of the ampoules which are imported as well as those manufactured in Peruvian factories. The foregoing regulations apply equally to flasks or any other containers for injectable solutions.

In the case of imported ampoules or containers, infringement of these rulings will lead to the prohibition of importation of such ampoules.

EXCHANGE CONDITIONS IN PERU

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, March 1, 1943.—The general exchange situation in Peru has been satisfactory during the past year, and Canadian shippers have met with no exchange difficulties in obtaining payments. United States dollars have been available in sufficient quantities to meet commercial needs and, since there is no official control in force, the liquidation of outstanding balances is expedited.

The bank rate of exchange for the Peruvian sol has remained steady since July, 1940, at 6.485 soles to the United States dollar buying and 6.50 soles selling. Taking into consideration the official rates as between American and Canadian dollars, approximately 5.85 soles equal one Canadian dollar, or one Peruvian sol is equivalent roughly to 17.1 Canadian cents. Although the exchange position is easy and some appreciation in the value of the sol could be achieved, there does not appear to be any likelihood of present exchange rates being modified.

During 1942 the banks' rate for sterling was firm at 26.10 soles buying and 26.16 soles selling. Pounds were difficult to obtain at times, but, with

Great Britain's purchases of cotton, sterling in excess of current requirements came on the market, the Central Bank took up the surplus, and trade commitments were easily met thereafter.

There is no official import or exchange control in operation in Peru but, through a semi-voluntary system, Peruvian exporters, or banks acting on their behalf, hand over their foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has accumulated surpluses of dollars and although it was granted a \$10,000,000 credit in December, 1940, by the United States Export-Import Bank for currency stabilization purposes, it has not found it necessary to draw on this fund.

DOLLAR NOTES

According to a Supreme Decree of June 8, 1942, the importation and exportation of United States dollar bank notes are henceforth to be made exclusively by the Central Reserve Bank. All present holders of these were to deliver them to the Central Bank prior to June 30, with a statement as to their origin. The only exception is in favour of passengers entering or leaving the country, who may bring in or take out up to \$100 in notes. No restrictions are placed on travellers' cheques or letters of credit, the decree being designed only to obviate the results of clandestine operations in dollar bills.

BANK CHANGES

By a Supreme Decree of September 5, 1942, the Lima and Arequipa branches of the Banco Aleman Transatlantico (German Transatlantic Bank) have been put under the control of the Peruvian Superintendent of Banks and closed. This step is indicative of projected measures to nationalize or liquidate that German organization.

By a resolution of February 18, 1943, the Peruvian Superintendent of Banks has authorized the opening of a new bank in Lima, called Banco Wiese Ltda., as from March 1, 1943. The founders are Augusto and Fernando Wiese of the well-known local importing firm of A. y F. Wiese S.A. The paid up capital is 4,000,000 soles, approximately \$683,761 Canadian.

TRADE SITUATION

The economic position of Peru has been greatly strengthened by the conclusion of long-term agreements with the United States for the purchase of all surplus cotton and the flax crop, and for the granting of loans to assist the exploitation of needed raw materials, such as rubber, and for general development schemes. In April, 1942, an additional credit of \$25,000,000 was authorized by the Export-Import Bank for public works, agricultural, mining, and industrial projects, particularly in connection with the defence schemes, but this so far has not been drawn upon by Peru. The Peruvian Government and the American engineering firm of H. A. Brassert Co. signed a contract six months ago for the construction of the large new iron- and steel-making plant in the northern part of the country at the port of Chimbote. Foreign traffic has been well maintained despite shipping difficulties and, although the total trade for 1942 was less than for 1941, it was considerably in excess of that for 1940. Imported articles are becoming progressively scarcer and more expensive, while exports are increasing in volume and value. Retail trade has been good.

TERMS OF PAYMENT

With respect to terms of payment, it is recommended that Canadian exporters require cash against documents for their shipments and a letter of

credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from any source, traders are now more willing to comply. A considerable volume of business is still being done on short-credit terms of 30 to 90 days, but acceptance of these conditions is only advisable when the exporter has full confidence in the consignee's ability to pay.

It is recommended that, when making quotations to Peruvian concerns, shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This prevents confusion between the official and unofficial rates for Canadian dollars in terms of American funds as well as assuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowances granted to convert these offers into American funds.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 8, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 8, 1943, and for the week ending Monday, March 1, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 1	Nominal Quotations in Montreal Week ending March 8	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2632	.2625	—
Brazil. Milreis (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930			
	Official	.3313	.3313	—
	Free	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5862	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1942. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price 50 cents.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.



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MR. NEWMAN TO VISIT CANADA

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, Trinidad, whose territory includes Barbados, Windward and Leeward Islands and British Guiana, will be in Canada for a few months, beginning early in April. During his absence his post will be occupied by Mr. J. L. Mutter, Canadian Trade Commissioner at Havana, Cuba; an Acting Trade Commissioner will be in charge at Havana while Mr. Mutter is at Port of Spain.

Canadian firms who wish to communicate with Mr. Newman during his stay in Canada should address him in care of the Director, Commercial Intelligence Service, Department of Trade and Commerce, Ottawa.

UNITED STATES RESTRICTIONS ON THE SALE OF CANNED FISH

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 6, 1943.—Food Distribution Order No. 23, effective February 19, widens the scope of the requirements of the various United States government agencies covering canned fish and specifies more clearly the varieties of fish concerned.

Under the new order each canner's quota for the two periods from March 1, 1942, to January 31, 1943, and the month of February, 1943*, is set at 60 per cent by net weight of the production of Group 1, and 80 per cent of the productions of Groups 2, 3, and 4 as follows:—

Group 1 (Salmon): Red, sockeye or blueback; pink; silver, silverside, medium red or coho; chum or keta; king, chinook or spring; steelhead or steelhead trout.

* The Food Administrator on March 1 announced that the allocations would be continued through the month of March on the same basis (Amendment No. 1 to F.D.O. No. 23).

Group 2 (Pilchard): By whatever name known, including sardines.

Group 3 (Sea Herring): Atlantic, by whatever name known, including sardines.

Group 4 (Mackerel): Atlantic; Pacific.

The remainder of the packers' production of each group during each period may be delivered to civilian buyers.

The quantities of canned fish prescribed by the order are allocated to the Food Distribution Administration of the Department of Agriculture, who are authorized to purchase them to meet government requirements. Such fish as are required to be set aside for the Government are subject to inspection and grading, to be carried out under the direction of the Food Distribution Administration.

PRICE CEILINGS ON DOMESTIC FISH IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 10, 1943.—Maximum prices at the processor level have replaced individual price ceilings at the March, 1942, level on smelts and herring caught in the United States.

FROZEN SMELTS

As reported in last week's issue of the *Commercial Intelligence Journal* (page 209), uniform and specific cents-per-pound ceilings were set for frozen Canadian smelts in New York, Philadelphia and Boston. Effective March 12, similar action fixing prices at the processor level, has been taken by the Office of Price Administration under Maximum Price Regulation 337 in respect of natural or artificially frozen lake smelts of domestic origin.

The prices of 8 cents per pound for whole smelts and 16 cents per pound for beheaded and eviscerated (dressed) smelts represent an approximate average of the individual sellers' prices under the General Maximum Price Regulations, which set the ceiling at the highest prices received in March, 1942. Sales at retail level will, for the time being, continue to be covered by the March, 1942, ceilings until the issuance of a general fixed mark-up regulation, to include frozen fish sales.

It is estimated that at least 4,000,000 pounds of lake smelts were caught last year, mostly in the small streams of Michigan and Wisconsin that enter northern Lake Michigan. Of these, about 2,400,000 pounds were frozen for human consumption. The Army is a heavy buyer of these smelts, and this year wants an initial delivery of 500,000 pounds of the dressed variety. It was considered necessary to establish uniform prices at the processor level so that the Army could contract for the fish in a stabilized market and that the same condition would obtain for civilian sales.

SALT HERRING

Effective March 6, Maximum Price Regulation 343 established specific price ceilings for processors' sales of salt cured herring (alewives), that have been beheaded, eviscerated and preserved by salt treatment. These fish are caught generally in Chesapeake Bay and in the rivers of Virginia and North Carolina in March, April and May.

Ceilings are based on a price of \$10.35 per thousand to the fishermen. This was the 1942 quotation and represents a sharp increase over that for 1941. Following are the maximum prices f.o.b. shipping point nearest the processor's warehouse:—

Maximum Prices of Salt Herring

Mild cured in bulk, per 1,000 fish.	\$15.40
Mild cured in usual baskets, per 250 fish.	4.10
Fully cured in usual tubs, per 300 fish.	6.80
Fully cured in usual baskets, per 250 fish.	5.15

These fish are a staple food for many low-income families in the South. Prices to the domestic consumer, which will be established under wholesale and retail margin regulations, will remain about as they are now.

ECONOMIC CONDITIONS IN CHICAGO AND DISTRICT*

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, February 19, 1943.—Business moved forward in 1942, carrying employment and payrolls to an all-time high. In December the Federal Reserve Bank of Chicago index of employment reached 149.8 per cent of the 1935-39 average. This compares with an index of 145.5 per cent at the peak of 1941 and of 110 per cent for 1929. Payrolls are 30 per cent higher than they were a year ago. The increase over the previous month was shared by all the major manufacturing groups except stone-clay and glass products, in which the trend is normally downward at this season. Both durable and non-durable goods shared in the expansion. The rise in employment during the year did not get well under way until after the conversion of the automobile industry to a war-time basis had been completed. The transportation equipment group as a whole, after registering a decline of 25 per cent from the peak in November, 1941, to the low of February and March, 1942, rose approximately 40 per cent above the low level. The current December employment in this group exceeded that of a year ago by 14 per cent.

INDUSTRY

In the metal industries, exclusive of the transportation equipment group, there were 9 per cent more workers in December, 1942, than in the same month of 1941. Food and leather goods industries were the only other groups in which employment showed an appreciable increase from December, 1941, to December, 1942. The former gained 6 per cent and the latter 8 per cent.

CONSTRUCTION

Construction contracts awarded were almost 40 per cent greater in value than a year ago. Non-residential awards, mainly for the construction of industrial plants, totalled close to \$700,000,000 during the year, which was about two-thirds greater than the value for this type of building in 1941. Public works and utilities showed an expansion of about one-third over the figure for the previous year. Residential building alone showed a decline, which was, of course, due to the various government regulations issued during the year for the purpose of conserving materials and limiting housing to the needs of defence workers. The effect of these regulations was also seen in the shift in type of residential building for which contracts were awarded. Construction of one-family dwellings for owner occupancy declined to a negligible amount, after having accounted for one-half of the total in 1941. Publicly owned residential building made up 48 per cent of the total in 1942 as against only 8 per cent in 1941. Publicly financed non-residential building also showed an increase, rising from 56 per cent of the total for this classification in 1941 to more than 90 per cent in 1942.

COAL

Bituminous coal production in December continued at the same level as in November, the output in these two months averaging about 330,000 tons a day.

* Includes Wisconsin, Iowa, Illinois, Indiana and Michigan.

The production total for the year exceeded that of 1941 by about 15 per cent, which was slightly better than the increase shown for the country as a whole.

OIL

Crude oil production in Illinois, Indiana, and Michigan declined further in December, averaging 321,000 barrels a day. The average in November was 447,000 barrels, and in December, 1941, it was 507,000 barrels. Production in 1942 was approximately 14 per cent below that of 1941. Refineries were also less active in December than in the previous month, although runs of crude oil were as heavy as a year ago, and for the entire year were 5 per cent larger.

GASOLINE

Gasoline shipments from refineries declined following the issue in January 21, 1943, of the order of the Petroleum Administrator for War, prohibiting the use of tank cars in moving motor fuel to the East Coast. After a decline of as much as 50 per cent during December, gasoline demand made some gains during January because consumers used remaining "A" series coupons before they expired. Fuel inventories are extremely low, while fuel oil demand has increased because of the cold weather. Pumping of crude oil into the new 24-inch pipeline from Longview, Texas, to Norris City, Illinois, has begun. The Eastern leg of the new pipeline, from Norris City to the New York-Philadelphia area, is nearing completion as more materials become available.

PAPER

Paper production continued firm during January despite adjustments to a revised freeze order restricting output of paper products according to use. Threats of paper scarcity further stimulated demand, causing an extension of backlogs of orders at many mills.

STEEL

Steel ingot production in Chicago and Detroit, the principal steel centres, remained above 100 per cent of rated capacity. Orders levelled off during the month, mainly because of adjustment to the requirements of the Controlled Materials Plan. At present the situation with respect to the alloy steel supply is particularly critical. In the scrap yards, manpower continues to be the principal problem, and labour shortages are becoming apparent in some steel mills. Cold weather and snow hampered scrap-yard turnover during January, but for the most part mills are reported to have sufficient scrap for immediate needs.

RETAIL SALES

After two weeks of declining business, department store sales reported for the last week of January showed an improvement over those of a year ago. Cumulative sales for the first four weeks of January, however, failed to equal the unusually high figure for January, 1942.

PRODUCTION OF WAR MATERIALS

The greatest single expansion in production of war materials for the Chicago area is in the aviation industry. Now, with plants making the largest planes the army uses and smaller training planes, and with hundreds of small plants contributing parts, the position of this area in aviation is comparable to its earlier position in railroad transportation.

Between July, 1940, and December, 1942, 196 new factories began operations in Chicago, 30 of them being new industries that added some 200,000 new names to its payrolls, with 300,000 in prospect before the end of 1943.

ECONOMIC CONDITIONS IN BRITISH GUIANA IN 1942

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

Port of Spain, March 8, 1943.—At the close of 1942 conditions in British Guiana showed considerable improvement over those of a few months earlier. Imports of foodstuffs are back to normal, with a satisfactory reserve of essential items.

Rains were heavy during December, but have not interfered to any great extent with the harvesting of the autumn sugar and rice crops. A good rice crop was obtained, and sugar production for the year amounted to 191,767 tons.

The quantity of rice that could be moved in small vessels to the nearby British West Indian markets showed a marked increase in 1942, totalling 22,479 tons as compared with 8,863 tons in 1941.

Lack of shipping, however, continues to be the main problem for the Colony and is greatly retarding the movement of its sugar exports. In 1942 only 134,528 tons were shipped as compared with 154,356 tons in 1941. Exports of molasses and rum were also down. This situation, of course, does not apply to the Colony's chief war export, bauxite, for which, on account of wartime regulations, no figures of exports are available.

IMPORTS

British Guiana's imports in 1942 reflected the serious decline in supplies during the mid-year months, with the result that imports of many items of interest to Canadian shippers, as listed below, were less than in 1941. The total value of imports was \$18,626,216, an increase of slightly more than \$1,000,000 above the 1941 value of \$17,408,619.

Some of the main imports in 1942, with comparative figures for 1941 shown within parentheses, were as follows: butter, 758,875 lb. (580,652 lb.); cheese, 236,120 lb. (292,359 lb.); cocoa, 62,572 lb. (143,243 lb.); cornmeal, 2,936 bags (2,278 bags); dry salt fish, 18,894 cwt. (25,102 cwt.); pickled mackerel, 3,016 bbl. (7,637 bbl.); canned fish, 867,109 lb. (836,990 lb.); flour, 190,215 bbl. (184,735 bbl.); ham and bacon, 80,018 lb. (119,021 lb.); pure lard, 303,290 lb. (560,424 lb.); condensed milk, 1,802,210 lb. (1,594,355 lb.); oats, 2,346,270 lb. (2,062,434 lb.); onions, 708,181 lb. (2,009,455 lb.); split peas, 1,359,850 lb. (2,814,086 lb.); pickled pork, 7,711 bbl. (5,434 bbl.); potatoes, 1,499,163 lb. (6,755,793 lb.); cement, 20,390 bbl. (43,160 bbl.); cotton piece-goods, 7,384,425 lin. yd. (7,663,698 lin. yd.); artificial silk piece-goods, 1,452,785 lin. yd. (1,239,222 lin. yd.); boots and shoes, leather, 9,455 doz. pr. (10,659 doz. pr.).

REGULATION OF IMPORTS

Under present improved conditions for the import of foodstuffs, it is becoming possible to increase the import of non-foodstuffs such as dry-goods, shipments of which have been held back by food priorities. To take full advantage of this development, Canadian shippers should make certain that their agents or customers, as well as the Department of Trade and Commerce, Ottawa, are fully informed of the quantity and shipping measurements of all products that they have packed and ready for export.

Under the present system, the Controller of Supplies forwards a list of priority recommendations to the British Colonies Supply Mission, Washington, once a month. This list is compiled from information supplied him by local agents and importers, and they in turn depend on the promptness with which the data are supplied to them by the shippers. Canadian exporters will appreciate, therefore, that they are likely to secure space for the shipment of their goods in proportion to the promptness they display in informing their agents as to their positions.

IMPORT RESTRICTIONS MODIFIED

Recently the tendency has been to ease restrictions on imports into British Guiana. Indicative of this was the notice of the Controller of Supplies on November 27, 1942, that the following previously prohibited products from South America would now be admitted: butter, canned and dried fish, lard, canned and pickled meats, oilmeal and oilcake, oats, cheese, peanuts, split peas, hams, edible seeds, ginger, tumeric, and spices.

Licences issued to importers to date under this new release indicate that Canadian shippers can expect that there will be increased imports into the Colony from South America of table and cooking butter, lard, pickled meats, and smoked hams.

Another recent modification of restrictions has been the withdrawal of import quotas on paint and linseed oil, so that supplies may now be freely obtained from Canada.

Drugs and medical supplies, formerly prohibited in order to allow for bulk purchase arrangements, are now being licensed for importation through commercial channels. This is on account of delay in the arrival of bulk purchase shipments.

Such changes, coupled with prospect of greater imports of non-food products, render it important that Canadian shippers keep in close touch with their local representatives, giving them the same prompt attention and service that is being accorded by United States exporters.

In this connection, care should be exercised to ensure that documents are forwarded promptly to the bank or consignees by air mail. It is also extremely important that the goods be strongly packed to withstand rough handling during the transshipment stages and unloading in Georgetown. Cardboard containers are too light to withstand the effects of such handling, and for small packages strong plywood or wooden cases should be used. For goods such as textiles, that are of a bulky and heavy nature, only strongly reinforced plywood containers or, preferably, wooden cases should be used. Attention to these details tends greatly to build up goodwill, which after the war will be an important factor in promoting and maintaining Canada's trade with these colonies.

TRADE OF THE BAHAMAS IN 1941

F. W. FRASER, CANADIAN TRADE COMMISSIONER

(All Values are f.o.b.)

Imports

Kingston, Jamaica, March 6, 1943.—Imports of all kinds of goods into the Bahamas in 1941 were valued at £1,519,029, which is the highest figure yet reached and represents an increase of £234,612 over the value recorded for 1940. The increase in 1941 is attributable chiefly to increased commodity values.

The official record of the annual volume of goods imported into the Colony shows the total for 1941 as 45,759 tons as compared with 44,744 tons in 1940, 42,169 tons in 1939, 47,271 tons in 1938 and 43,870 tons in 1937. These figures indicate no great variation in the quantity of goods brought in year by year during this period. As compared with 1940, the volume of imports from the United Kingdom declined from 2,500 tons to 1,403 tons; that from Canada rose from 13,822 tons to 14,891 tons; and that from the United States increased from 17,351 tons to 18,987 tons. The Canadian figure is the highest yet recorded.

The year under review was a good one for the tourist trade, which still is an important source of revenue for the Colony, although not so large as formerly.

Nine excursion ships called at Nassau in 1941 as compared with two in 1940, and calls by private yachts coming from foreign ports numbered 83 and 67 respectively; the respective numbers of aeroplanes arriving at Nassau were 486 and 351. Total revenue from the tourist trade in 1941 was £10,151 as against £8,317 in 1940.

SOURCES OF SUPPLY

The principal countries that supplied goods to the Bahamas during the years 1937 to 1941, inclusive, and their respective shares of the import trade are shown hereunder:—

Bahamas Imports by Principal Countries

	1937	1938	1939	1940	1941
Canada—					
Value	£ 154,151	£ 131,677	£ 144,646	£ 209,465	£ 294,278
Per cent	12.6	11.5	13.2	16.3	19.4
United Kingdom—					
Value	£ 272,731	£ 272,986	£ 223,316	£ 193,767	£ 191,974
Per Cent	22.3	24.0	20.4	15.0	12.6
United States—					
Value	£ 556,239	£ 513,340	£ 520,563	£ 692,534	£ 831,329
Per cent	45.6	44.7	47.6	54.0	54.7
Other countries—					
Value	£ 236,232	£ 228,906	£ 205,645	£ 188,651	£ 201,448
Per cent	19.5	19.8	18.8	14.7	13.3
Total value	£1,219,353	£1,146,909	£1,094,170	£1,284,417	£1,519,029
Less liquor imports	45,778	53,668	47,108	63,627	56,566
Total value of other commodities	£1,173,575	£1,093,241	£1,047,062	£1,220,790	£1,462,463

IMPORTS BY COMMODITY GROUPS

Imports by main categories in 1941 were as follows:—

I. Food, drink and tobacco	£ 509,396
II. Raw materials and articles mainly unmanufactured	75,963
III. Articles wholly or mainly manufactured	912,896
IV. Miscellaneous and unclassified	2,674
V. Bullion and specie	18,100
Total	£1,519,029

Of goods in Class I, Canada supplied 35.3 per cent of the total; in Class II, 4.3 per cent; and in Class III, 12.1 per cent.

NOTES ON IMPORTS

Following are detailed import figures for products in which Canada did an appreciable trade with the Bahamas in 1941:—

FOOD, DRINK AND TOBACCO

Butter.—Total imports, 2,127 cwt. (£16,404): Canada, 526 cwt. (£4,486); Cuba, 547 cwt. (£3,709); New Zealand, 483 cwt. (£3,620); United States, 237 cwt. (£2,023).

Cheese.—Total, 898 cwt. (£6,527): Canada, 612 cwt. (£4,037); United States, 266 cwt. (£2,366).

Chicken and Dairy Feed.—Total, 25,560 cwt. (£17,857): United States, 16,362 cwt. (£11,682); Canada, 9,168 cwt. (£6,160).

Flour.—Total, 54,790 bags (£61,948): Canada, 54,684 bags (£61,754).

Jams, Jellies and Preserved Fruits.—Total, £5,065: Canada, £2,573; United States, £2,172; United Kingdom, £320.

Lard.—Total, 11,670 cwt. (£31,206): Canada, 10,444 cwt. (£27,393); United Kingdom, 1,151 cwt. (£3,501).

Meat (a) Fresh.—Total, 5,133 cwt. (£31,415): United States, 3,536 cwt. (£24,479); Canada, 1,399 cwt. (£6,473).

(b) *Ham and Bacon*.—Total, 3,004 cwt. (£20,804): United States, 1,933 cwt. (£14,126); Canada, 1,071 cwt. (£6,678).

Milk Preserved (a) Sweetened.—Total, £12,165, entirely from Canada.

(b) *Unsweetened*.—Total, £13,212: Canada, £12,406; United States, £806.

Oats.—Total, 6,803 cwt. (£3,796): Canada, 6,741 cwt. (£3,762).

Potatoes.—Total, 10,260 cwt. (£5,723): Canada, 9,686 cwt. (£5,239); United States, 574 cwt. (£484).

Provisions, Unspecified.—Total, £37,118: United States, £23,840; Canada, £11,181; United Kingdom, £1,879.

Whisky.—Total value, £14,143, made up of 4,008 proof gallons (£5,497) and 3,161 dozen quarts (£8,646). The United Kingdom had the bulk of this trade. Imports from Canada are shown as 1,457 proof gallons (£1,769) and 182 dozen quarts (£419). There were smaller imports from the United States.

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

The only item in this group supplied by Canada was shingles, of which 6,201,000 lineal inches valued at £3,245 were shipped out of a total of 32,341,000 lineal inches (£14,386). The large remainder came from the United States.

ARTICLES WHOLLY OR MAINLY MANUFACTURED

Apparel.—Total, £54,187: United States, £32,348; United Kingdom, £14,444; Canada, £7,121.

Boots and Shoes of Rubber and of Canvas with Rubber Soles.—Total, 5,442 doz. prs. (£7,043): Hongkong, 2,806 doz. prs. (£2,874); Canada, 2,434 doz. prs. (£3,889).

Cement.—Total, 134,450 cwt. (£31,508): Canada, 106,085 cwt. (£24,746); United Kingdom, 12,539 cwt. (£2,964); United States, 10,819 cwt. (£2,651).

Hardware.—Total, £65,534: United States, £56,901; United Kingdom, £5,883; Canada, £2,750.

Medicines and Drugs.—Total, £20,804: United States, £12,503; United Kingdom, £4,013; Canada, £2,490.

Metals, i.e. Nails, Zinc.—Total, 2,673 cwt. (£5,195): Canada, 1,856 cwt. (£3,418); United States, 817 cwt. (£1,777).

Motor Cars and Trucks.—Total, 174 units (£25,780): United States, 122 units (£16,074); Canada, 49 units (£9,215); United Kingdom, 3 units (£491).

Motor Car Tires.—Total, 1,631 in number (£6,131): Canada, 1,217 (£4,531); United States, 291 (£1,102); United Kingdom, 123 (£498).

Packages, Empty.—Total, £5,734: United States, £3,453; Canada, £2,281. These were mostly tomato crates.

Paints.—Total, £18,142: United States, £11,611; United Kingdom, £3,323; Canada, £3,188.

Paper.—Total, £11,860: United States, £6,069; Canada, £5,776.

Soap, Common.—Total, 5,176 cwt. (£10,612): United States, 2,816 cwt. (£4,899); United Kingdom, 1,898 cwt. (£4,518); Canada, 458 cwt. (£1,186).

Stationery.—Total, £6,400: United States, £3,416; United Kingdom, £1,497; Canada, £1,487.

Textiles (a) Rayon Hosiery.—Total, 6,646 doz. prs. (£3,053): Canada, 4,945 doz. prs. (£2,231); United Kingdom, 934 doz. prs. (£527); Hongkong, 650 doz. prs. (£233); United States, 117 doz. prs. (£62).

(b) Rayon Piece-Goods.—Total, 187,000 sq. yds. (£11,723): United States, 68,000 sq. yds. (£4,857); United Kingdom, 56,000 sq. yds. (£2,492); Canada, 32,000 sq. yds. (£2,643); Hongkong, 28,000 sq. yds. (£1,621).

Toilet Preparations, including Soap.—Total, £16,694: United States, £9,060; United Kingdom, £3,284; Canada, £3,123.

Unclassified Manufactures.—Total, £199,698: United States, £79,340; United Kingdom, £33,454; Canada, £16,470.

Exports

The total value of domestic exports in 1941 was £192,709, and of re-exports £109,149, these figures representing increases, respectively, of £61,790 and £40,590 over the values for 1940. The 1941 total was the highest since 1936.

The main items in this trade are fresh tomatoes, fresh and canned crawfish, salt, sisal hemp, marine curios, lumber, shells, sponge, and native straw and shell manufactures. Productions of straw manufactures and of canned crawfish have also increased in late years. Plans have lately been made to cultivate several kinds of spices for sale in export markets. A recent development of the export trade is the shipment of onions to Jamaica.

Disease has been very prevalent in the Bahamas sponge-beds for some years past. For this reason an official order was issued in June, 1941, prohibiting sponge-fishing until December 31, 1943.

Of the domestic exports in 1941, the United States, as usual, took the largest share with a total value of £116,979, followed by Japan with £29,652. Canada's purchases amounted to £18,307 and those of the United Kingdom to £12,767. Fresh tomatoes and grass sponge were the chief items shipped to Canada. Exports to Japan consisted almost entirely of salt (648,000 bushels valued at £29,192). Of total shipments of lumber, amounting to 1,571,000 feet valued at £12,327, Jamaica took 1,237,000 feet (£10,016). This was pitch pine.

The largest item of the Bahamas export trade is the "invisible" tourist business, which accounts for the most part for the great disparity between recorded imports and exports. War conditions have inevitably curtailed the volume and value of the tourist traffic, nevertheless it showed a fair increase in 1941 as compared with 1940. The number of visitors landed in the Colony was about 3,300 more than in 1940, with a resulting increase in exports.

NEWFOUNDLAND FISHERIES IN 1942

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, February 18, 1943.—According to revised estimates of the 1942 salt codfish production, recently issued by the statistical division of the Newfoundland Fisheries Board, the 1942 catch was one of the smallest in many years, the totals for each of the past six years being as follows: 1942, 703,456 quintals; 1941, 830,758 quintals; 1940, 875,494 quintals; 1939, 1,045,236 quintals; 1938, 1,042,082 quintals; 1937, 860,428 quintals.

Newfoundland's sea fisheries are divided into three general classifications: the deep-sea or Bank fishery, the shore fishery, and the Labrador fishery. Of the three, the greatest decline occurred in the Bank fishery, which contributed only 62,000 quintals to the season's catch as compared with 158,096 quintals in 1941 and 169,440 quintals in 1940. The smaller catch is attributed to the fact that many boat-owners found it more profitable to use their vessels as freight carriers, and also to the general difficulty of obtaining fishing crews. Although the situation regarding crews is likely to be less critical in the coming season, the opportunity of engaging in freighting is expected to keep many of the owners of the larger vessels from sending them to the Banks.

Neither the shore fisheries nor the Labrador catches declined as severely as the Bank fishery. The number of floaters operating was smaller than during the preceding year, although the resultant catches were satisfactory. Figures supplied by the Fisheries Board show the shore catch as 431,645 quintals and total Labrador production as 209,811 quintals.

MARKETING

The loss of Mediterranean markets in 1942 and the difficulty of obtaining adequate shipping space to available outlets were responsible for the principal marketing problems confronting Newfoundland fish exporters last season. Since 1936 the Newfoundland Fisheries Board has followed a policy of "group marketing" whereby exclusive rights to trade with certain areas are given to certain organizations. This scheme has given satisfaction and has been extended to different markets from time to time.

While substantial quantities of fish were contracted for early in the season, it was impossible to secure adequate shipping space, with the result that considerable quantities of fish had to be held until the quality depreciated, when prices automatically fell. Toward the end of the season the shipping position improved, and at its close stocks were fairly well disposed of.

VARIETIES OTHER THAN CODFISH

Salt codfish is the major fish export from Newfoundland. To the average Newfoundlander it is known as "fish", all other types being given their common names: salmon, herring, etc. Some interest has been shown in recent years in the filleting and freezing of codfish, and in 1942 the exports of this type showed a substantial increase over those for 1941. The bulk of these shipments went to the United Kingdom, although there was also a demand in the United States and Canada.

HERRING

The Newfoundland pack of Scotch cure herring is sold in the United States and Canada through one distributor in each country, and results obtained in 1942 were entirely satisfactory. The quantities packed have increased steadily for some years, and since the 1937-38 season the prices have risen steadily, the average for 1942 being over 100 per cent above that for 1937. A special type was packed for the South American market during the year but, because of the difficulty of getting hoop iron for barrels, it is probable that further shipments will have to be temporarily suspended.

SALMON

The United Kingdom has always been the principal market for Newfoundland frozen salmon. In view of the shipping position this item has been regarded as a luxury, with the result that exports have dropped even below the low totals recorded for 1941. The quantities in the two years were 1,936,000 pounds and 1,753,000 pounds respectively.

LOBSTERS

Exports of live lobster during 1942 totalled 1,854,000 pounds as compared with 2,148,000 pounds in the previous year. The decline was due to a reduction in the number of those engaged in the enterprise. There is a small lobster-canning industry in Newfoundland, and activity was low during the year.

SQUID

For two years the run of squid in Newfoundland waters has been so low that practically none has been packed.

HALIBUT

As with the Bank fishery, fewer boats have been engaged in taking halibut, and the 1942 catch was well below normal. Exports of fresh halibut during the year amounted to 161,839 pounds as compared with 229,931 pounds the year before.

COD OILS

The production of cod oils declined with the catch of codfish. Exports were as follows, comparative figures for 1941 being shown within parentheses: medicinal, 222,000 pounds (241,000 pounds); poultry, 3,000 pounds (8,000 pounds); common, 370,000 pounds (545,000 pounds).

OUTLOOK

The outlook for the Newfoundland fisheries in 1943 is encouraging. In 1942 the number of men engaged in the industry was smaller than usual because many elected to accept employment ashore on defence works. These works are now nearing completion, so that it is probable that considerable numbers will return to fishing in the current year. There should be no difficulty in obtaining reasonable prices for all the fish that can be produced, although some

trouble may be encountered in securing shipping space to transport the fish to the consuming countries.

It is proposed to continue the salt subsidies as was done last year. The Government imposes a levy on the export of salt and pickled fish, and the returns therefrom are used to keep the price of salt to the fishermen down to the level of two years ago.

STOCKS ON HAND

Stocks of salted codfish reported on hand by licensed exporters as of January 31, 1943, are as follows:—

<i>Newfoundland Stocks of Salted Codfish</i>		
Shore—		Quintals
Dry, large and medium		22,679
Dry, small		99,098
Incompletely cured		2,347
Saltbulk		4,052
Total		128,176
Bank—		
Dry, large and medium		2,274
Dry, small		7,580
Incompletely cured		480
Saltbulk		1,000
Total		11,334
Labrador and Newfoundland Soft Cure—		
Ordinary cure		58,573
Semi-dry		5,318
Washed and pressed		3,597
Saltbulk		4,373
Total		72,161
Grand total		211,671

Stocks of salted codfish on hand as at January 31, 1942, totalled 261,481 quintals: shore, 199,212 quintals; Bank, 10,255 quintals; Labrador and Newfoundland soft cure, 52,014 quintals.

POST-WAR PLANNING FOR SCOTLAND

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Glasgow, February 12, 1943.—Plans are now being worked out by the new Ministry of Town and Country Planning (for England and Wales), the setting up of which shows that the United Kingdom Government has decided to treat seriously the various proposals for careful control of the development of agriculture, location of industries, and housing. In Scotland this control is to be exercised from Edinburgh and will be entirely independent of the Ministry of Town and Country Planning. No more important task will fall to the lot of the Edinburgh authorities (under the direction of the Secretary of State for Scotland) than the rapid provision of adequate housing for the people. A report on this subject was published in *Commercial Intelligence Journal* Nos. 2030 (December 26, 1942) and 2031 (January 2, 1943).

Another project of importance to Scotland is the proposed development of hydro-electric power in the Highlands, where the largest untapped water-power resources in Britain are located. Recommendations submitted by the Committee set up to report on hydro-electric development in Scotland were announced in December, and have been accepted by the Government. If hopes are realized, cheap supplies of electricity will be made available for the Highlands and the industrial belts of Scotland and the North of England. A report on this scheme was published in *Commercial Intelligence Journal* No. 2034 (January 23, 1943), page 63.

The Clyde Navigation Trustees, corresponding to the Port of London Authority, have decided to consider the advisability of undertaking a scheme for providing facilities for civil aircraft as they do at present for shipping. The general purposes committee will, it is expected, be asked to gather all the information available on the subject. It is considered that the establishment of a large airport in the Clyde area would, among other advantages, tend to stimulate the work of constructing aircraft in this area. It is reported that two of the larger shipping concerns have indicated their interest in air transport, and the lead given by the Clyde Trustees has afforded much satisfaction to the business community of Glasgow. In this connection the Under-Secretary for Air recently announced in the House of Commons that the policy of the Government was to go forward wherever possible with civil aviation and that it must be done in a big way. He added that this was one of the major tasks of reconstruction and must be approached with determination. The Ministry of Air and the Ministry of Aircraft Production are now working on designs for civil aircraft after the war.

FIRST OFFICIAL ESTIMATE OF ARGENTINE POTATO ACREAGE, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports that the Argentine Department of Agriculture has recently issued its first estimate of the area sown to potatoes for the crop year 1942-43. According to this report, the area planted to potatoes for the current year is 501,410 acres as compared with 585,390 acres in 1941-42, a reduction of 83,980 acres or 14.3 per cent.

The principal factor contributing to the reduction in acreage this year was the lack of rain at seeding time, particularly for the late plantings in the Rosario and Balcarce zones. Low prices received for table stock last season are partially responsible for a reduced acreage in the irrigated districts—Rio Negro and Mendoza.

Drought conditions continue to be general throughout the Republic; there have been light scattered showers, some of which fell in parts of the potato zones. The rainfall has been far from adequate, however, with the result that the condition of the potato crop at this time is not promising. Even if the dry spell is broken in the next few weeks, the crop in the major zones of Balcarce and Rosario will probably be considerably below those of recent years.

The following table shows the potato acreage by provinces for the years 1939-40 to 1942-43:

Argentine Potato Acreage

Provinces—	1942-43 Acres	1941-42 Acres	1940-41 Acres	1939-40 Acres
Buenos Aires (Balcarce)	217,360	244,530	205,010	192,660
Santa Fe (Rosario)	172,900	217,360	270,712	222,300
Salta, Jujuy, Tucuman	39,026	31,122	28,652	14,894
Other provinces	20,748	20,254	18,772	17,883
Irrigated zones—				
Mendoza, San Juan	37,791	54,340	65,455	55,822
Rio Negro	13,585	17,784	8,645	10,201
Totals	501,410	585,390	597,246	513,760

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to January 30, 1943.

Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to January 30, 1943	
			Quantity	Per Cent
Cattle (700 lb. or more)Head	225,000	3 to 1½c. per lb.	*	....
Cattle (less than 200 lb.)Head	100,000	2½ to 1½c. per lb.	1,093	1.0
Whole milkGal.	3,000,000	6½ to 3¼c. per gal.	363	....
CreamGal.	1,000,000	56½ to 28¾c. per gal.	56	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefishLb.	17,174,495	2½ to 1¼c. per lb.	572,724	3.3
Seed potatoesBu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	512,222	34.1
White or Irish potatoes, other than seed potatoesBu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.: 37½c. Mar. 1 to Nov. 30	9,388	0.9
Red cedar shinglesSq.	†	Free	81,034	....
Silver or black foxes, furs and articles: ‡Foxes valued under \$250 each and whole furs and skinsNo.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	17,656	17.6
TailsPiece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462	9.2

* There is no indication in the statement by Treasury Department as to how many head of cattle weighing 700 pounds or more, other than dairy cattle, were imported from Canada in the period January 1 to 30, 1943. The statement indicates that the total quarterly allotment for cattle from all countries is 60,000 head, and of this amount 10,700 head were received in the above period.

† The duty-free quota for red cedar shingles has not as yet been determined.

‡ The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Order in Council P.C. 1882 of March 9, 1943, effective March 15, 1943, the following commodities are added to the list of those the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Berries, fresh.
Cherries, fresh.
Pea beans (navy beans).
Certified seed potatoes (see below).

GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Eggs in the shell.
Eggs (whole), egg yolk or egg albumen, dried, evaporated, desiccated, powdered, frozen or otherwise prepared.
Horse-meat.

GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Softwoods, n.o.p.: logs.

By Export Permit Branch Order No. 64, effective March 15, 1943, the following changes are made regarding exemptions:—

1. Certified seed potatoes are exempt from requiring an export permit when shipped to any part of the British Empire.

2. The following are now exempt from requiring an export permit when shipped to the United Kingdom only:—

GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Cedar: sawed or hewn timber, boards, planks and scantlings.

Douglas fir: sawed or hewn timber, boards, planks and scantlings.

Hemlock: sawed or hewn timber, boards, planks and scantlings.

Softwoods, n.o.p.: sawed or hewn timber, boards, planks and scantlings.

Spruce: sawed or hewn timber, boards, planks and scantlings.

White Pine: sawed or hewn timber, boards, planks and scantlings.

3. Exemptions are cancelled for the following, and shipments of these commodities to any destination will now require an export permit:—

GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Castor beans.

Cotton seed.

Natural resins and gums, including those in the crude, refined and modified states.

GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Balsa and manufactures.

Cedar: logs.

White pine: logs.

GROUP 5—IRON AND STEEL AND THEIR PRODUCTS

Motorcycle parts and accessories.

Note.—Applications for permits to export to the United States softwood logs, timber and lumber originating in the Pacific Coast areas of British Columbia should be submitted to the Assistant Timber Controller for British Columbia, Marine Building, Vancouver, B.C.; applications for permits to export to the United States softwood logs, timber and lumber originating in the Maritimes should be submitted to the Assistant Timber Controller, Saint John, N.B. All other applications should be submitted to the Export Permit Branch, Ottawa.

By Export Permit Branch Order No. 65, effective March 15, 1943, the following changes, amendments and deletions are made in the Export Permit Regulations of September 30, 1942. These amendments are established and consolidated with Export Permit Regulations previously established, to be known henceforth as the Export Permit Regulations of March 15, 1943:

1. Regulations 6, 15 and 16 of the Export Permit Regulations of September 30, 1942, are cancelled.

2. The following regulations of the Export Permit Regulations of September 30, 1942, are renumbered: Regulation 7 (a) to become Regulation 6; Regulation 7 (b) to become Regulation 7; Regulation 32 to become Regulation 32 (a); Regulations 17, 18, 19, 20, 21, 22, 23, 24 and 25 to become Regulations 16, 17, 18, 19, 20, 21, 22, 23 and 24 respectively; Regulations 45, 46, 47 and 48 become Regulations 46, 47, 48 and 49 respectively; and Regulation 44, as established by Export Permit Branch Order No. 60 of February 11, 1943, is renumbered to become Regulation 45.

3. Following are amendments to the Regulations:

The former Regulation 19, renumbered Regulation 18, is amended to read as follows:

18. No commodity differing in any way from that described in the permit may be exported, nor may any alteration be made in a permit after issuance except by or on behalf of the Minister of Trade and Commerce.

The former Regulation 20, renumbered Regulation 19, is amended by the deletion of the last sentence and the substitution of the following therefor:

In these cases a tolerance of 10 per cent by weight or quantity over the amount specified is allowed, except as specified below: Pharmaceuticals and finished drugs, 1 per cent; platinum and platinum group metals, 1 per cent; industrial diamonds, no tolerance; radium and radium salts, no tolerance; uranium and uranium salts, no tolerance; commodities of any kind upon which a subsidy has been paid by the Commodity Prices Stabilization Corp, no tolerance.

Regulation 27 is amended so that all applications for permits to export butter must henceforth be addressed to the Export Permit Branch, Ottawa.

Regulation 30 is amended by the addition, after the first sentence, of the following sentence:

Applications for permits to export maple sugar and maple syrup should be submitted to the Export Permit Branch, Ottawa.

Regulation 43 is amended to read as follows:—

43. Casual purchases by non-resident tourists of \$100 or less in value of clothing, toilet articles, articles of personal adornment, souvenirs and similar articles, and other small consumer goods (except edible food-stuffs over \$5 in value, bicycles, typewriters and goods under ration control in the country of import) are exempted from requiring an export permit except as otherwise provided in these Regulations.

The following new Regulations 15, 25, 32(b) and 44 are established:—

15. The original of the Export Permit must be delivered by the exporter to the carrier to be firmly attached to the waybills accompanying the shipment to the port of exit. For shipments through United States ports see Regulation 14(c).

25. Export permits are not required for shipment of the following from Canada to the United States:—

(1) Articles returned to the United States for repair, adjustment or test, if covered by the appropriate Customs Export Entry Form E-23 (Amended 1942).

(2) Articles returned to the United States for replacement on the grounds that these articles were received in a defective condition, or not according to order, if covered by the appropriate Customs Export Entry Form E-15.

(3) Containers on a shuttle service, which are to be returned to Canada within six months from the date of export, if complying fully in every other respect with the regulations of the Department of National Revenue (Customs Division), as set forth in their Memorandum Series D, No. 49, T.M.R.I. (Revised) of April 12, 1937.

32 (b) Applications for permits for exportation to the United States of birch and maple logs and lumber originating in British Columbia, or softwood logs, timber and lumber originating in the Pacific Coast areas of British Columbia should be submitted to the Assistant Timber Controller for British Columbia, Marine Building, Vancouver, B.C. Exporters in the Maritimes wishing to export softwood logs (other than pulpwood), timber or lumber to the United States should submit application for export permits to the Assistant Timber Controller, Saint John, N.B. All other applications for export permits should be forwarded to the Export Permit Branch, Ottawa.

Exporters are asked to give the following information when applying for export permits for the above:

(a) On the face of the export permit application form:
Column 1: Show number of feet board measure.

Column 2: Show species, sizes and lengths, rough or dressed, and if dressed, the type of dressing, also the name and address of mill producing the lumber—in short, complete particulars as shown on the invoice.

Column 3: Show estimated weight.

Column 4: Show invoice value f.o.b. shipping point.

(b) On the reverse side of the form, questions 1 and 2 only are to be answered, as follows:

Question 1: Give the number of the United States Government contract for which the lumber is to be used and the preference rating.

Question 2: State the extent of your business with the country and purchaser named in the application during the years 1940, 1941, 1942 and 1943 to date—prior years unnecessary.

44. Export permits are not required for the following classes of articles when taken as the baggage of an individual on change of domicile, solely for the owner's or his immediate family's use and not for resale:

- (a) Household articles: furniture, refrigerators, radios, decorations and other household furnishings.
- (b) Personal effects: clothing, books, toilet articles, souvenirs, articles of personal adornment and similar articles.
- (c) Professional instruments and tools of trade, including typewriters, which have been used by the passenger in his occupation or employment, which are his own personal property and which will continue to be used in his trade or occupation.
- (d) Passenger automobiles, the personal property of individuals departing from this country, equipped with not more than four used tires mounted on the running wheels and one used spare. Exporters must file with the Collector of Customs an affidavit certifying exportation is not for resale.

TARIFF CHANGES AND TRADE REGULATIONS

Peru

REGULATIONS AFFECTING ADVERTISEMENTS FOR PHARMACEUTICALS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, advises that, according to an official announcement published in the press by the General Directorate of Health of Peru, new regulations regarding all advertising material for pharmaceutical specialties have been put in force. As from January 1, 1943, any form of advertising of pharmaceutical specialties, dietetic products, nutritious products for children and invalids, and in general for all products that are used as medicine for human beings, which have not been authorized by the General Directorate of Health, is prohibited. In each advertisement the corresponding number of authorization must be published in a prominent position. Industrialists and merchants who deal in the aforementioned lines must make out the text of their advertisements in conformity with the following regulations:—

1. Only claims of a medico-therapeutical nature that are scientifically proved will be acceptable.
2. The therapeutical indications must conform completely to the recognized pharmacological action of the advertised product, expressions referring to its curative efficacy being prohibited.
3. All phrases that are ambiguous and that may be erroneously or falsely interpreted will be effaced.
4. Comparative and superlative adjectives will not be allowed.

5. It is prohibited to suggest self-medical treatment to the public by means of ideas or phrases leading to this end.
6. Any advertisement covering a product or specialty having a dangerous or toxic pharmacological action must bear the words "consultar al médico" (consult the doctor).

All previous authorizations issued to date are to be considered as cancelled, and the interested parties should submit new advertisements to the General Directorate of Health for their respective authorization. In accordance with Supreme Resolution 1105, for any infringement of these dispositions fines will be imposed according to the judgment of the Directorate. Advertisements should be submitted for approval to the Servicio General de Educación y Divulgación Sanitaria (General Service of Education and Sanitary Publication).

Ecuador

IMPORT REGULATIONS ON ARTICLES SUBJECT TO CONTROL IN COUNTRIES OF EXPORT

Mr. W. G. Stark, Acting Trade Commissioner, at Lima, Peru, advises that the Oficina de Prioridades y Distribución de Importaciones (Office of Priorities and Distribution of Imports) of Ecuador has been given additional authority to regulate the importation, distribution and sale, of any articles that are subject to control systems or to internal and external sale rationing in the countries of origin.

The Office of Priorities and Distribution of Imports now has full authority in Ecuador over the import, purchase, sale, transfer and movement of any articles under export control or internal and external sale rationing in the United States or other countries. Permits are necessary for all dealings in such commodities, and merchants handling these goods may be required by law to submit inventories of stocks in their possession.

Articles at present subject to such control include the following: automobiles trucks, buses, motorcycles, tires, tubes, typewriters, tinplate, structural iron and steel, agricultural implements, barbed wire, and clamps. Canadian exporters shipping to Ecuador should not despatch goods unless they are in possession of a duplicate copy of the Permiso de Importaciones (Import Permit).

EXCHANGE CONDITIONS IN BERMUDA

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, March 12, 1943.—A recent economic review of Bermuda by Professor J. H. Richardson indicates that, as a result of the establishment of United States defence bases in Bermuda, the Colony had a United States dollar balance of about \$4,000,000 on December 31, 1942. Prior to the building of these bases Bermuda's United States dollar requirements were greater than her dollar income.

According to the report, Bermuda was selling to London more United States dollars than she was buying. On the other hand, throughout the war Bermuda has had a shortage of Canadian dollars, which she has had to purchase in London.

During the period September, 1939, to December 31, 1942, Bermuda sold U.S.\$6,705,990 to London and purchased U.S.\$2,482,039 therefrom. During the same period \$4,784,087 Canadian funds were purchased from London.

Although a considerable portion of the dollar funds used by Bermuda have been directly or indirectly for the benefit of the British Imperial Service, the Bermuda Currency and Exchange Control Board estimates that during the above period Bermuda was, for local purposes, a seller of combined United States and Canadian dollars to an amount equivalent to more than U.S.\$2,000,000.

There is no indication of how long this situation will continue. Bermuda is almost entirely dependent upon Canada and the United States for essential commodity supplies, while, on the other hand, when the construction of the United States bases is completed, there is likely to be a decline in United States dollar revenue.

The Chairman of the War-time Supplies Commission, commenting on the \$4,000,000 United States balance, states that "dollar exchange is still a highly important factor with regard to importations, but the more urgent considerations at the moment are procurement and shipping space. Exchange, however, is very much a factor, and we certainly keep that in mind constantly". The Chairman also explained that purchases made in Canada, with the exception of income from investments, were paid for in dollars bought from the British Treasury, so that the credit portion in United States dollars must be offset by the Canadian dollar position.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 15, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 15, 1943, and for the week ending Monday, March 8, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 8	Nominal Quotations in Montreal Week ending March 15	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2625	.2636	—
Brazil. Milreis (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930			
	Official	.3313	.3313	—
	Free	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5862	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: **J. C. MACGILLIVRAY**. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: **H. L. BROWN**. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: **FREDERIC HUDD**, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: **J. A. LANGLEY**, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: **W. B. GORNALL**, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: **G. R. PATERSON**, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: **A. E. BRYAN**, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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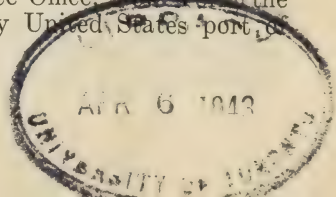
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BOOKING FREIGHT SPACE TO LATIN AMERICA

Most Canadian shippers are now familiar with the procedure for obtaining freight space for shipments of 2,240 pounds or more to Latin American countries. Shippers who do not know the procedure may obtain copies of application forms (E.1) and full information from the Shipping Priorities Committee, Room 123, West Block, Ottawa.

A review of the applications submitted since the introduction of the scheme (August 15, 1942) reveals that, while large numbers of these applications have been certified to the War Shipping Administration of the United States and appear on the Eligible Cargo Lists of the Cargo Clearance Office at New York or other United States ports of exit, many Canadian shippers have not yet confirmed freight space bookings with shipping lines. Further investigation indicates that some shippers are under the impression that, when an application for freight space is filed, the Shipping Priorities Committee will take care of the actual booking and inform the shipper as to the shipping space that has been arranged. This is not correct.

When the application for freight space is certified to the War Shipping Administration, and details of the cargo, with the Board of Economic Warfare (B.E.W.) Serial Number, appear on the Eligible Cargo List, the shipper is notified by the Shipping Priorities Committee. It is then the responsibility of the shipper to arrange for his own space booking with a shipping line. While all the records of the cargo are kept at the Cargo Clearance Office, New York, the shipper is permitted to arrange for shipment from any United States port of exit where space is obtainable.



As there is only a limited amount of shipping space available, it follows that there is considerable pressure on the operating lines. Precedence must be given to cargoes with high ratings but, where ratings are equal, the shipping lines confirm bookings with those shippers who are most active in their efforts to secure space. For this reason most shippers have found it advisable to employ the services of shipping agents with offices or connections in New York and other United States ports of exit. Firms who have adopted this practice have found that personal and continuous contact with the shipping lines at various ports is essential, and that they are able to obtain confirmed bookings more quickly than by endeavouring to make the arrangements themselves. Conversely those firms who rely upon a written approach to the shipping lines frequently find that they are unable to obtain space, since their requests do not carry the same degree of urgency. As a result, the details of their cargoes soon become buried in the Eligible Cargo Lists, which are issued daily, and in time their requests for freight space are forgotten.

From the foregoing, shippers will realize that the competition for shipping space to Latin America is keener than ever before. When notified by the Shipping Priorities Committee that an application has been certified to the War Shipping Administration, Canadian shippers should, therefore, spare no effort to obtain a confirmed booking from a shipping line. In every case the B.E.W. Serial Number is the essential reference. Shippers who have lost this number may obtain it from the Shipping Priorities Committee.

UNITED KINGDOM PURCHASES OF FRUIT AND VEGETABLE PRODUCTS IN 1942

W. B. GORNALL, FRUIT TRADE COMMISSIONER

I

London, February 11, 1943.—The development of the war to global dimensions and the additional heavy demands on available shipping space necessitated a downward revision of the United Kingdom's import food program. This revision involved the elimination of certain less essential products and implemented the already definite trend towards dehydration wherever it was found possible to apply the process.

Under these conditions, contracts were not renewed for canned goods and apple products with the exception of dried apples, and fresh apples, as expected, were removed from the import program. An above-average crop of small fruits in the United Kingdom provided fairly ample tonnage for manufacture into jam, and supplies of fruit pulp from Canada were restricted to strawberries. Low yields and adverse weather conditions, particularly in British Columbia, reduced the quantity of this fruit available for export to 500 long tons as compared with approximately 3,000 tons, including all small fruits, shipped in the previous season.

The urgent necessity for conserving shipping space led to an investigation into the possibility of substituting powdered pectin for liquid pectin in the manufacture of jams, etc. It was found that the total pectin requirements of the United Kingdom could be obtained in powder form from the United States and elsewhere, and consequently the Canadian contract for liquid apple pectin has not been renewed. This change permits of an appreciable saving in shipping space, estimated at approximately 95 per cent, but Canada has lost a market of long standing.

For the first time the Dominion shipped to the United Kingdom a fairly substantial tonnage of tomato pulp concentrate 30 per cent, but owing to expected heavy demand at home in 1943, and also to anticipated difficulties in

regard to increased production of raw tomatoes and the installation of additional plant, it has been considered advisable not to endeavour to renew the contract for next year.

A total of 3,000 long tons of onions were grown in British Columbia under contract with the Ministry of Food for shipment in the fresh state during September-October, but the acute shipping position made it necessary to dehydrate the crop, thereby reducing the stowage space by about ten to one.

DEHYDRATION

The importance attached to the dehydration of vegetables and other products in the effort to conserve shipping space brought about a quickening in development both in Canada and the United Kingdom. Canada had long been interested in the project and was able to take immediate action on behalf of the Ministry of Food, but in the United Kingdom much preliminary work had to be undertaken before commercial production could be organized, with the result that output is not expected to approach the minimum objective level until late in 1943. Production in both countries is earmarked for military, naval and air force services, also for emergency feeding purposes.

The dried apple continued to find an important place in the import food program of the United Kingdom and has remained practically unaffected by the urgency of the shipping position. A large part of the tonnage contracted for from the 1941 crop was delivered during the early part of 1942. The quality of the pack continued to give satisfaction, and the greatest possible quantity from the 1942 pack, estimated at 3,000 to 4,000 long tons, has been contracted to the Ministry of Food at a slightly higher price than for the previous season.

The total value of contracts made during the year amounted to \$1,854,181 as compared with slightly more than the value of \$3,000,000 f.o.b. Canadian seaboard of the products actually shipped under contracts made during 1941. The tonnages and values of contracts during 1942 are as follows:—

Values of Contracts in 1942

Fruits in SO ₂ : strawberries, 500 long tons @ £50 per ton f.o.b. New Westminster (£25,000)	\$ 108,250
*Tomato pulp concentrate: 3,500 long tons @ \$9.95 per doz. No. 12 cans f.o.b. Montreal	690,331
Fresh onions: 3,000 long tons @ \$69.50 per short ton in crates f.o.b. Montreal . . .	233,520
†Dehydrated vegetables, Julienne: 10 long tons @ 45 cents per lb. f.o.b. Montreal. .	10,080
Dried apples: 5,000 long tons @ 7½ cents per lb. f.o.b. Halifax.	812,000
	<hr/>
	\$1,854,181

* Actual quantity shipped was 1,295 tons, owing to production difficulties.

† Imported under licence and not direct by Ministry of Food.

SUPPLY POSITION

The general situation during the year in regard to food supplies in the United Kingdom may be regarded as satisfactory, but the maintenance of the rationing scheme and adequate reserve supplies depended upon continuity of imports from all sources. Stocks in hand on any particular date were never of abnormal quantity, and in themselves were quite insufficient to maintain the regulation ration over any extended period. Continuity and regularity of imports are essential features and, notwithstanding the difficulties and dangers involved, the shipping services were able to keep supplies up to the necessary level. Thus the family ration has been fully maintained, and, supplemented by meals obtainable in restaurants and canteens, has provided adequate sustenance with a minimum of waste.

The "points" scheme has proved very satisfactory in the distribution of products such as canned goods, biscuits, etc., which are not in sufficient supply

to permit of rationing on a per capita basis. Points have actually taken on the attributes of a competing currency, and they are of greater importance to the consumer than the actual price of the product. By raising or lowering the number of points for any particular commodity, the demand can be regulated to suit the supply. From time to time additional products have been brought within the points rationing scheme, but the total number of points allotted to each consumer has not been altered. Each consumer is allotted 20 points per four weeks, which must be expended within that period and cannot be transferred to any subsequent period or used prior to the period for which they are allotted.

During the year there has been a gradual change in the method of contact between the Ministry of Food and the Special Products Board with regard to the purchase of Canadian foodstuffs. Negotiations, discussions, exchange of information, etc., which since the outbreak of war were conducted through the office of the Trade Commissioner, are now channelled entirely through the Ottawa Office of the British Food Mission. This new alignment will have a definite effect on the future work of the office, but the exact nature of the changes involved cannot be foreseen.

FRESH APPLES

The contract with the Ministry of Food covering the 1941 pack was completed during the first two months of 1942 with the delivery of 34,246 boxes from British Columbia and 26,999 barrels from Nova Scotia. These shipments brought the total quantity exported under the contract to 1,200,230 boxes and 111,043 barrels, which is slightly more than 25 per cent of the pre-war 1934-38 five-year average.

The conditions prevailing during the latter part of 1941 were somewhat abnormal; a fruit crop failure in the United Kingdom and ample shipping space available enabled a resumption of the fresh apple movement, but similar conditions did not obtain in 1942, and no further movement has taken place or is expected under existing conditions.

The 1942 apple crop in the United Kingdom was above average, but, with no added imports, it was quite insufficient to meet consumer demand. Prices remained throughout the season at the maximum level permitted under price control, and by the close of the year stocks had very largely passed into consumption.

At present there is not the slightest promise of any resumption of imports by the Ministry of Food; no movement of fresh fruit is likely to take place between Canada and the United Kingdom until after the close of the war or until such time as shipping space can be released from other services.

CANNED APPLES

The contract entered into in 1941 with the Ministry of Food for the unsold balance of canned apples from the 1939 and 1940 packs in Nova Scotia was completed during the first half of 1942 with the shipment of 172,540 cases. The total quantity shipped under this contract was 273,694 cases valued at \$408,862.76 f.o.b. Halifax, N.S.

Condition and quality of the fruit were quite satisfactory except the final consignments of the 1939 pack on two vessels. These particular shipments reached the United Kingdom in poor condition and included a fairly large percentage of blown and burst (pinhole) cans. The fruit was handled through the Salvage Department of the Ministry of Food, and a satisfactory settlement was reached without undue delay.

No apples were canned in Canada for export in 1942, and it is not expected that any further canning for this purpose will be undertaken until after the war, owing to the shipping position and the scarcity of tin-plate. Thus for the

remainder of the war period this rather important sideline of the apple industry has been forced to close down. The general good quality of the pack (Choice Grade), however, will be long remembered by the trade in the United Kingdom, and when the industry is able to resume export shipments, a pack of similar quality is likely to be well received and in demand.

DRIED APPLES

1941 PACK

At the close of 1941 only 33,829 cases had been shipped under the contract with the Ministry of Food covering the Nova Scotia dried-apple pack of that year, and the remaining 116,147 cases were delivered to the United Kingdom during the first four months of 1942. All shipments reached their destination safely and in good condition except 15,657 cases on a vessel that caught fire and became a total loss.

The general quality of the pack was satisfactory and it was well received in the various channels of trade through which it passed. The fruit was consumed mainly by the Services and as ship's stores; only a small part passed through to the retail trade.

Owing to the difficulty in obtaining suitable wooden containers, certain shippers experimented with a fibre-board case. These cases were favourably reported upon, and there is no objection to further shipments in this type of container, although the ocean freight is slightly higher than for the wooden box; on this point the Ministry of Food is of the opinion that the rates should be equalized at the lower level.

It was at first hoped that Nova Scotia would be able to process about 7,000 long tons, but the apple crop did not develop as expected, and the total quantity of dried fruit available for export reached only 2,592.5 long tons. With the contract price at 7 cents per pound f.o.b. steamer Halifax, the value of the fruit actually shipped was \$406,504.

1942 PACK

The dried apple holds a permanent position in the food import program of the United Kingdom, and the Ministry of Food has again contracted to purchase all available export tonnage from the 1942 pack at a price slightly higher than that for the previous year. The total quantity to be shipped is estimated at 3,500 long tons, which at 7.25 cents per pound f.o.b. steamer Halifax is valued at \$568,400.

The movement of the pack to the United Kingdom had been slow in starting, and by the end of the year only one shipment, comprising 5,107 cases, had been reported. Under existing shipping conditions it is not expected that the movement will be on any appreciable scale for some time to come.

LIQUID APPLE PECTIN

Liquid apple pectin has moved in fairly large tonnage to the United Kingdom under import licence covering the season 1941-42, but, with the completion of this contract, no further licence will be issued, and the imports of this product from Canada will cease.

The urgent necessity for saving shipping space led to a rapid development in the production of powdered apple and citrus pectins, particularly in the United States and Palestine, and in this form the Ministry of Food has found it possible to obtain the total pectin requirements of the United Kingdom, thereby effecting a saving in shipping and storage space estimated at about 95 per cent as compared with that required for the liquid product.

This development has been unfortunate for the Canadian manufacturer of liquid apple pectin, who, not having placed himself in a position to supply the

powdered product, has lost an export market to which he was the principal supplier over a considerable period of time.

When existing stocks of liquid pectin have been consumed, the jam manufacturer and other users in the United Kingdom will be forced to use the powdered product. In this change-over the future market for liquid pectin may be affected in more or less degree, and, while powdered pectin requires more careful handling, it does not present any difficult problem in the processing of jam, etc. The possibility, therefore, arises that the advantages of powdered pectin may be found to outweigh sufficiently any disadvantages, and that it will eventually replace the liquid product to an appreciable degree in the jam and confectionery trades.

The large saving in storage space, coupled with ease in handling, are definite advantages; also the powder does not deteriorate if kept dry and covered, conditions which can be easily maintained in most factories, and therefore, as compared with the liquid product, the powder type can be said to be quite attractive and satisfactory. It is essential, however, that care be taken when weighing the powder for use in the manufacture of jam, etc.

Powdered pectin is manufactured to a 100 grade standard, whereas the standard grade or strength of liquid pectin, to which the powder must be reduced, is termed 5X, and 5 pounds of powder (100 grade) are equal to 100 pounds of liquid of 5X grade. Thus a standard powder has 20 times the strength of a standard liquid, and consequently any error in weight would be magnified 20 times.

A standard formula for the manufacture of jam and instructions in the use of and the method of placing powdered pectin in solution has been circulated among all jam manufacturers, and the Ministry of Food does not anticipate any difficulties that cannot be readily overcome.

Jam manufacturers, however, are known to be of a conservative disposition or temperament, and, being long used to pectin in a liquid form ready for immediate use, there may be a tendency or desire to return to the old method at the earliest opportunity. There are, however, exceptions, and it may be expected that powdered pectin will find a permanent place in the processing of jam.

Arrangements have been made with the Ministry of Food to obtain at the right time the reactions of the trade to the use of powdered pectin in order that the trend may be closely followed.

At present it would appear advantageous for Canadian manufacturers to investigate the possibility of converting their liquid product to the powder form, so that they may take advantage of the market trend and provide either the one or the other or both according to the demand that may eventually arise.

Under existing conditions, the Ministry of Food is prepared to admit powdered pectin from Canada should it be found possible to produce the product, and they are prepared to provide manufacturers with all available information. Unless Canadian manufacturers are prepared and able to switch from liquid to powder, there is no possibility of reopening the market until the shipping position returns to normal, and then it may be found that the preference is for the powdered product. It should not be assumed that this preference is bound to arise, but it is at least a possibility that should not be overlooked.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on March 17, regarding the wheat and flour situation, as follows:—

Australian wheat production in 1942-43 is now estimated at 157,000,000 bushels cropped from 10,951,000 acres. This wheat forms No. 6 pool. Official wheat and flour prices remain unchanged, with some exports proceeding to usual markets.

TRADE OF BARBADOS IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

I. Exports and Imports

Port of Spain, March 8, 1943.—Unlike Trinidad and British Guiana, the other two principal markets in this territory, Barbados has no industries to supplement sugar production as a source of income. All the arable land in its 166 square miles, amounting to about 41,000 acres, is devoted, as far as possible, to growing sugar cane. Production rises and falls according to the abundance or lack of rainfall, the average for the island being 61 inches per year. At the same time, after allowing for these climatic variations, the general productive capacity of the Colony has been gradually expanded by improved methods of cultivation, better canes, and the development of efficient factory management.

The 200,000 inhabitants of Barbados are, therefore, dependent on the sale of sugar, molasses and rum, which together make up 97 per cent of the Colony's exports.

About January of each year, 32 sugar factories begin grinding some 80 per cent of the sugar crop, while 35 open-pan steam plants and 37 windmill plants convert the remainder into sugar or the Barbados specialty, fancy molasses. By July-August, operations are fairly well completed, and the Colony's production and income for the year can be estimated.

EXPORTS

In 1940, the year of the long drought, sugar production fell to 97,224 tons from its 1939 peak of 156,443 tons; in 1941 there was a moderate revival to 100,373 tons. With local consumption close to 7,500 tons, and allowing for reductions for the manufacture of molasses, Barbados sugar exports in 1941 amounted to 66,537 tons valued at £840,745, of which 62·5 per cent was shipped to Canada. Although better than 1940, it was not a good year in point of volume exports as compared with the 1930-39 average of 77,324 tons per annum. Prices, however, were high, so that the 1941 export value of £840,745 was better than the previous year's figure of £648,830 and the values in most of the years of the preceding decade.

The 1941 molasses export of 8,638,525 gallons was below the 10,078,137 gallons exported in 1940 and the previous ten-year average of 9,664,220 gallons, but its value of £722,184, while slightly lower than the 1940 figure of £793,437, was in most instances higher than in former years since 1930. Exports were mainly in the form of fancy molasses (made directly from sugar-cane juice), Canada taking 77 per cent of the 7,442,720 wine gallons (£665,193) thus shipped.

One marked improvement in 1941 was in the export of rum. Shipments increased to 587,012 gallons (£58,701) from the previous year's level of 320,288 gallons (£30,027), and greatly exceeded the 1939 quantity, fairly representative of pre-war years, of 98,482 gallons (£9,234).

On the whole, the value of Barbados export business in 1941 (£1,660,670) was slightly better than the 1940 value of £1,504,730 and was exceeded only by the record figure of £1,885,944 in 1939.

Canada, as the main market for the Colony's sugar and molasses, accounted for 63·2 per cent of the exports (60·6 per cent in 1940), and the United Kingdom for 20·8 per cent (26·6 per cent in 1940); the United States took 7·7 per cent, other parts of the British Empire 4·7 per cent, and Newfoundland 3·4 per cent.

IMPORTS

In the simple agricultural economy of Barbados, a rise in export values is usually accompanied by a rise in the value of total imports during the same year.

Thus, imports for domestic consumption in 1941, valued at £2,299,564, showed a slight increase over total imports in 1940, valued at £2,293,396.

Imports into this Colony can be separated roughly into cane-field and mill supplies, building materials and civic requirements, and items to meet the simple needs of the coloured and semi-coloured people who comprise nearly 93 per cent of the Colony's inhabitants.

The usual diet of the coloured working class in Barbados includes rice, wheat flour, cornmeal, sweet potatoes, yams, onions, potatoes, salt meat, salt fish, sugar and tea. With so much land devoted to the production of sugar cane, practically all foodstuffs are imported. Since the outbreak of war, however, an effort has been made to increase the acreage devoted to producing domestic foodstuffs, especially yams and sweet potatoes and, within limits, the results have been quite successful. Carbohydrate foods equivalent to the Colony's annual imports of rice are now being produced but, in view of the great quantity of carbohydrate foods consumed and the deficiency of protein in local foods and feedstuffs, the Colony is still heavily dependent on imported supplies.

FOOD AND FEEDSTUFFS

Food and feedstuff imports, valued at £914,163 in 1941, showed a marked increase as compared with the previous year's value of £767,191. Nor was this entirely accounted for by increased import costs, as there was a noticeable increase in the quantities of many items imported. The following are the import values for 1941 (with comparative figures for 1940 within parentheses) of the main products in this classification:—

Rice, £146,644 (£116,339); flour, £11,794 (£98,189); oilmeal and oilcake, £52,193 (£42,023); salted pork, £49,315 (£38,986); fish, dried, salted, and smoked, £36,594 (£42,902); butter and butter substitutes, £36,294 (£29,418); cornmeal, £32,236 (£28,717); margarine, £23,789 (£15,909); condensed milk, £23,513 (£23,245); oats, £22,663 (£18,510); cigarettes, £19,049 (£25,484); bran and pollards, £18,702 (£13,924); beer and ale in bottles, £17,309 (£14,626); lard and lard substitutes, £16,499 (£6,530); dried beans and peas, £16,337 (£8,224); bacon and ham, £16,131 (£14,554); beef, salted, £15,298 (£21,962); edible oil, £15,258 (£7,648); potatoes, £13,689 (£10,590); canned fish, £13,532 (£8,396); corn, £13,291 (£13,357); canned meat, £13,234 (£6,048); onions, £12,606 (£9,989); tea, £12,231 (£9,937); prepared cocoa, £12,113 (£9,007); unmanufactured leaf tobacco, unstemmed, £9,795 (£6,647); cheese, £7,033 (£4,559).

MANUFACTURED PRODUCTS

As the consumption of foodstuffs in Barbados is very close to subsistence level, the volume of imports cannot be greatly reduced, but this does not apply to more durable goods. Consequently, as the result of local restrictions and the increasing difficulty of obtaining materials such as iron and steel products from overseas, the value of imports of manufactured products in 1941 (£1,133,264) was slightly lower than the corresponding 1940 value of £1,226,370.

The following comparative values of the leading manufactured imports for 1941 and 1940 show that the main reductions were in imports of sugar machinery, sulphate of ammonia and iron and steel products:

Sulphate of ammonia, £98,623 (£185,062 in 1940); cotton piece-goods, £92,041 (£75,166); cotton manufactures, £82,963 (£64,753); art. silk piece-goods, £50,744 (£33,287); potash, £49,882 (£15,418); bags and sacks, £41,105 (£37,810); apparel other than boots and shoes, £40,534 (£50,087); leather boots and shoes, £40,399 (£35,363); motor spirit, £38,513 (£36,502); sugar machinery, £35,242 (£67,388); woollen textiles and woollen manufactures, £30,676 (£21,799); medicines and drugs, £28,607 (£25,676); paper manufactures n.o.p. £20,715 (£25,950); rubber tires and tubes, £18,947 (£11,506); rubber-soled canvas shoes, £18,183 (£12,051); chemicals, £18,196 (£18,176); iron and steel manufactures, £30,246 (£80,353); wrapping paper, £17,761 (£22,672); cement, £17,165 (£15,923); laundry soap, £15,589 (£24,559); electrical appliances, £13,096 (£12,087); hardware n.o.p. £12,926 (£17,339); paints and colours, £12,538 (£10,868); nitrate of soda, £9,420 (£10,804).

RAW MATERIALS AND SEMI-MANUFACTURED PRODUCTS

Imports of raw and semi-manufactured products, including lumber and shooks, declined in 1941. As shipping space was difficult to obtain, the value of 1941 imports (£69,660) was less than a third of the previous year's value of £249,305. The main imports were:—

Shooks and staves, £44,252 (£53,647 in 1940); lumber, other kinds, except hardwood, £28,450 (£35,544); Douglas fir, £19,042 (£34,924); barrel headings, £7,632 (£7,557); pitch pine, £3,889 (£2,910).

DIRECTION OF TRADE

Apart from certain iron and steel products, Canada is in a position to supply most of the imports included in the foregoing classifications, especially under wartime conditions when the price factor is not fully operative. It is not surprising, therefore, that in 1941 Canada became the Colony's main source of supply, the general distribution of imports according to countries of origin in that and the preceding year being as follows:—

Barbados Imports by Countries of Supply

	1941		1940	
	Value	Per Cent of Total Import Value	Value	Per Cent of Total Import Value
Total..	£2,209,564	100.0	£2,293,396	100.0
Country of origin—				
Canada	912,334	39.7	582,146	25.4
United Kingdom	554,746	24.2	817,097	35.6
Other Empire countries..	487,052	21.2	401,853	17.5
United States	131,762	5.7	249,834	10.9
Other foreign countries..	182,868	7.9	205,288	9.0
Newfoundland..	30,802	1.3	37,178	1.6

The principal imports from countries other than Canada were as follows:—

United Kingdom.—Cotton manufactures other than piece-goods, £75,633 (£55,771 in 1940); cotton piece-goods, £49,403 (£61,898); machinery, all kinds, £36,895 (£69,303); wool and woollen manufactures, £29,617 (£19,676); art. silk piece-goods, £25,984 (£18,285); cigarettes, £21,500 (£25,426); beer, ale, stout and porter, £17,520 (£19,359); boots, shoes and slippers, £16,113 (£22,556); common soap, £14,594 (£20,651); hardware, £13,859 (£17,844); cement, £12,611 (£9,419); iron and steel manufactures, £11,662 (£45,551); medicines and drugs, £10,540 (£14,540); paper and paper manufactures, £8,964 (£12,283); paints and colours, £11,662 (£9,213); motor-car tires and tubes, £6,959 (£5,295); electrical apparatus, £8,071 (£13,481); bicycles and tricycles, £8,313 (£11,329).

United States.—Potash, £49,882 (£14,105 in 1940); staves and shooks, £16,112 (£17,675); lubricating oil, £8,421 (£9,392); barrel headings, £7,133 (£7,025); iron and steel manufactures, £6,577 (£19,701); motor-car parts, £5,809 (£4,248); machinery, all kinds, £5,180 (£6,186); pitch pine, £3,889 (£2,910); cornmeal, £3,771 (£8,234).

IMPORTS FROM OTHER COUNTRIES

Argentina.—Oilmeal and cake, £29,457 (£3,222 in 1940); salted beef, £14,750 (£19,441); bacon and ham, £14,654 (£9,248); canned meat, £12,937 (£4,692); corn, £11,837 (£17,872); cornmeal, £10,927 (£8,993); butter, £9,257 (£8,056); edible oil, £6,000; bran and pollard, £5,428 (£11,458).

Burma.—Rice, £113,755 (£107,105).

India.—Rice, £30,999 (£6,511); beans and peas, £5,958 (£3,341); jute bags, £40,822 (£37,320).

Newfoundland.—Dried, salted, and smoked fish, £29,182 (£36,241).

Jamaica.—Margarine, £19,366 (£2,415); copra, £6,760 (nil).

Hongkong.—Apparel n.o.p., £10,627 (£5,885); boots, shoes and slippers, wholly or partly of rubber, £6,622 (£5,797).

Venezuela.—Oils, £13,676 (£19,797).

UNITED STATES ESSENTIAL TYPES OF LUMBER

D. S. COLE, CANADIAN TRADE COMMISSIONER

New York, March 15, 1943.—The United States War Production Board has issued its latest official list of essential and substitute materials required in the war program and for civilian use.

The New York Lumber Trade Association has issued a special bulletin indicating those items of special interest to the United States lumber trade and likewise to Canadian companies engaged in this business.

Lumber of different grades and species is listed under three headings as follows:—

I. LUMBER (OF SPECIFIED GRADES): MOST ESSENTIAL

Balsa
 Beech (F.A.S. Selects, Nos. 1 and 2) especially 6/4" and thicker
 Cypress (tank and boat stock)
 Douglas fir (Stress grades No. 1) (No. 2, all boards, thick clears)
 Eastern spruce (Nos. 1, 2 and 3)
 Eastern white pine (Nos. 2 and 3)
 Hard maple (F.A.S. Selects No. 1 in 6/4" and thicker)
 Hickory (F.A.S. Selects No. 1)
 Magnolia (F.A.S. Selects No. 1)
 Mahogany (F.A.S. Selects No. 1)
 Noble fir (Nos. 1 and 2) (aircraft and ladder stock)
 Northern white pine (Nos. 2 and 3 boards)
 Norway pine (Nos. 2 and 3)
 Rattan
 Rock elm (F.A.S. Selects No. 1)
 Sitka spruce (aircraft and ladder)
 Southern pine (Stress grades No. 2 boards)
 Teak (all grades)
 West Coast hemlock (boards, aircraft and ladder)
 Western larch (Stress grades)
 White ash (F.A.S. Selects Nos. 1 and 2)
 White oak (F.A.S. Selects No. 1)
 Yellow birch (F.A.S. Selects No. 1)
 Yellow Poplar (F.A.S. Saps and Selects No. 1)

II. LUMBER (OF SPECIFIED GRADES): LESS ESSENTIAL

Cypress (F.A.S. Selects No. 1 shop and Nos. 1, 2 and 3)
 Douglas fir (Flooring, drop siding, ceiling and dimension)
 Eastern hemlock (Nos. 1, 2 and 3)
 Eastern white pine (Selects No. 1)
 Hard maple (F.A.S. Selects Nos. 1 and 2 in 4/4" and 5/4")
 Idaho white pine (Selects Nos. 1, 2, 3, and 4)
 Mahogany (No. 2)
 Noble fir (Selects, shop)
 Northern white pine (Selects Nos. 1 and 4, shop)
 Pecan (F.A.S. Selects No. 1)
 Ponderosa pine (Selects Nos. 1, 2, 3 and 4)
 Redgum (F.A.S. Selects No. 1)
 Red oak (F.A.S. Selects No. 1)
 Redwood (Selects No. 1)
 Sap gum (F.A.S. Selects No. 1)
 Sitka spruce (Shop, box and dimension)
 Soft maple (F.A.S. Selects No. 1)
 Southern pine (Nos. 1 and 2 dimension)
 Sugar pine (Selects Nos. 1, 2, 3 and 4)
 Sycamore (F.A.S. Selects No. 1)
 Water tupelo (F.A.S. Selects No. 1)
 Walnut (F.A.S. Selects No. 1)
 West Coast hemlock (flooring, drop siding, ceiling and dimension)
 Western red cedar (Selects No. 1)
 White ash (No. 3)
 White fir (Nos. 2 and 3)
 White oak (Nos. 2 and 3)
 Yellow poplar (Nos. 2 and 3)

III. LUMBER (OF SPECIFIED GRADES): LEAST ESSENTIAL

Beech (No. 3)
Cypress (No. 3, box and pecky)
Eastern hemlock (Nos. 4 and 5)
Eastern white pine (Nos. 4 and 5)
Hard maple (No. 3)
Hickory (Nos. 2 and 3)
Idaho white pine (No. 5)
Magnolia (Nos. 2 and 3)
Northern white pine (No. 5)
Pecan (Nos. 2 and 3)
Ponderosa pine (No. 5)
Redgum (Nos. 2 and 3)
Red oak (Nos. 2 and 3)
Redwood (Nos. 2 and 3)
Sap gum (Nos. 2 and 3)
Soft elm (all grades)
Soft maple (Nos. 2 and 3)
Southern pine (Selects, shop, No. 3)
Sugar pine (No. 5)
Sycamore (Nos. 2 and 3)
Walnut (Nos. 2 and 3)
Water tupelo (Nos. 2 and 3)
Western larch (No. 3)
Western red cedar (No. 3)
White fir (No. 4)
Yellow birch (Nos. 2 and 3)

USE OF UNITED STATES WATERWAYS TO RELIEVE LAND TRAFFIC

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, March 3, 1943.—A recent issue of *Marketing and Transportation*, a publication of the United States Department of Agriculture, suggests that a greater use could be made of the Great Lakes and inland waterways of the United States to relieve railroads and trucks of the increasing burden of war traffic.

Prior to the coming of the railroads, the waterways were the cheapest means of transportation in this country. Commerce naturally expanded along navigable streams, and agricultural and industrial activity was carried on in the vicinity of the waterways. The development of the railroads later changed this trend, and population and enterprise tended to centre where supplies of raw materials were first discovered, whether or not these supplies were located near streams. Even after the raw materials were exhausted, industries have continued to be centralized in those localities and to draw their supplies from more distant places. These other sources frequently are remote from waterways, making such industrial communities entirely dependent on rail transportation.

Nevertheless, the original influence of waterways in determining industrial settlements still persists, and much traffic still follows the lines of the waterways. The water lines are particularly adaptable for the transportation of bulk goods in their raw or semi-finished state or of durable goods not requiring fast movement and unaffected by weather conditions. These commodities include coal and coke, iron ore, iron and steel, petroleum and its products, logs and lumber, sand and gravel, stone, and grain.

GREAT LAKES

The chief system of inland water transportation in the United States is the Great Lakes. The gross tonnage of vessels of American registry on the Great Lakes exceeds 2.5 million, and these vessels carry about 15 per cent of the ton miles of the country.

The following table shows the percentage distribution of total revenue ton miles for United States traffic for the years 1926 and 1939; no figure is given for air carriers, which account for less than 1 per cent:—

	Total Revenue (Ton Miles)	
	1926 Per Cent	1939 Per Cent
Railways, steam and electric	75.6	61.9
Trucks (intercity)*	3.9	8.5
Great Lakes	15.2	14.1
Inland waterways	1.6	3.6
Oil pipe-lines	3.7	11.9

* The percentages shown for trucks include both for-hire and private trucks.

The chief items carried on the Great Lakes are grain, iron ore and coal, which are hauled an average of about 800 miles. In 1939 United States commerce on these lakes amounted to 135 million tons.

Most of the wheat crop of Canada and the northern part of the United States normally passes through the Great Lakes on its way to the Atlantic seaboard. In 1942, boats were reserved for the shipment of iron ore, the tonnage of wheat being diverted to the railroads. This arrangement will probably be continued, and thus on eastward traffic the boats will be fully occupied. However, the movement on the lakes is unbalanced, and moving westward there is ship space that probably can be utilized to relieve the pressure on the railroads and trucks.

MISSISSIPPI RIVER SYSTEM

The second most important system of inland waterway transportation in the United States is the Mississippi River and its tributaries. Until foreign markets were closed the Mississippi River system was extensively used for the movement of midwest grain, which was consigned to Gulf ports for transshipment overseas. Recently, however, most of the grain traffic has been to inland mills for domestic consumption.

As in the case of the Great Lakes, the traffic on the Mississippi River system is very unbalanced, about 80 per cent moving upstream and only 20 per cent downstream. Hence there is a large amount of unused barge capacity available for downstream carriage. This could be utilized for the southbound movement of soy-beans and agricultural implements, and some canned goods could be moved by barges if given proper protection against unfavourable weather conditions.

OTHER INLAND WATERWAYS

As shown in the foregoing table, all the inland waterways, apart from the Great Lakes, together carry only about 4 per cent of the total ton miles of the United States. Moreover, of this percentage the inland waterways, exclusive of the Mississippi River system, account for less than one-fifth. The last-mentioned includes the Atlantic coast rivers and canals, the Gulf coast rivers and the Pacific coast rivers. These afford supplementary routes for some of the bulk products mentioned above, such as sand and gravel, stone, coal and coke, logs and lumber, and perhaps some grain.

In 1941 agricultural products accounted for 17 per cent of total railroad freight revenue. The inland waterways probably can relieve the railroads to only a limited extent in handling this particular traffic. Nevertheless, by shifting some non-agricultural traffic to the water lines, more railroad and truck facilities become available for transporting agricultural commodities.

UNITED STATES NEWSPRINT SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, March 11, 1943.—Since the publication of a report entitled "Newsprint Industry in the United States in 1942" (see *Commercial Intelligence Journal* No. 2039: February 27, 1943, page 173), there have been developments of interest affecting the supply and price situation in this industry.

The American Newspaper Publishers Association has issued a report on an exhaustive and independent investigation of the newsprint supply situation, the results of which confirm the recent findings by Ottawa and Washington that Canadian production will be adequate for immediate and near-term demand, removing the necessity for a further reduction in consumption, at least until July 1, 1943.

SUPPLY

The reasons advanced at various times for cutting United States consumption of newsprint have been probable shortages of electric power, labour, transportation and wood supply. However, according to the report of the American Newspaper Publishers Association, the chief problem at present is the wood supply, the other factors not being an immediate threat to the situation.

An important statement in this report is that "as a result of a better than expected wood cut in Canada this season, no shortage of pulpwood for newsprint-making exists in Canada". It was further stated that "the need to cut consumption has been based largely on the wood supply in the United States, where newsprint manufacturing is a small factor in the pulp and paper industry". It is pointed out by the American Newspaper Publishers Association that there is a minimum of wood waste in making newsprint paper, a ton of which requires only about one cord of wood, while sulphite papers for book, tissue and writing paper require approximately two cords per ton. It is apparent, therefore, that the most effective step in the interest of conservation would be to reduce the use of those papers that require the greatest quantities of wood in their manufacture.

Although reports from the newspaper publishers show that much has already been accomplished in reducing the consumption of newsprint, the Association urges its members not to relax their efforts to reduce its use to an absolute minimum.

PRICE

The report indicates that price is an important factor in any action that would curtail Canadian newsprint production, because of the high capital investment in this industry. It is estimated that another 10 per cent reduction in consumption would add from \$2 to \$3 a ton to the manufacturing cost, resulting in further pressure to add to the \$4 a ton price increase that became effective on March 1.

PERU'S STEADY PROGRESS

From the *British Export Gazette*

Under the present regime of President Manuel Prado, political and economic conditions in Peru are stable and progressive. Due to the demand by the United Nations for strategic and other essential products, all South American countries are experiencing activity in export trade (limited only by shipping difficulties), but Peru's trade has been running at record high levels during the past two years or so. This is the main explanation for the fact that, unlike most Latin American countries, Peru has come safely through the economic crises of recent years without having to resort to official exchange control. Economic relations with the Allies are very close, diplomatic relations having been broken off with

the Axis Powers, while legislation has been enacted for the liquidation of Axis concerns.

Government finances have continued healthy, with local quotations for national bonds steadily advancing. National income and expenditure for 1941 were balanced at 230 million soles, and, although expenditure for 1942 is estimated at the higher figure of 326 million soles, it is anticipated that fiscal receipts will respond to this amount. The program of public works has been pushed forward in a gratifying manner, particularly so as to open up new zones of mining and other production, especially between the coast and the Amazon zone. A contract has been signed for the construction of a large hydro-electric plant on the Santa River: the realization of this project will provide power for an iron and steel industry in the north of the Republic, where both anthracite coal and iron are available in large quantities. The work will be financed in part from the U.S.\$25,000,000 credit granted by the United States to Peru last year, and the total project will cost some U.S.\$20,000,000.

Highly remunerative markets have been found for most Peruvian products, particularly cotton, sugar, flax and wool. Although difficulties in obtaining replacements have given rise to some problems in the mining industry (particularly in the case of gold and other non-essential metals), the present high prices of lead, zinc, manganese and other strategic metals have brought considerable prosperity to this group. Petroleum production has been maintained at satisfactory levels, and oil exports have become vitally important in supplying the fuel needs of strategic industries in other South American countries, thereby saving many tanker trips from the United States.

Peru's chief export is raw cotton of good grade, which is in steady demand by the United States and Britain. Cotton production in 1942 was 1,400,000 quintals, practically the whole of which has been sold, and current local prices are some 35 per cent above those of a year ago. Not only has Britain been buying cotton on a broad scale, but the United States Government, through the medium of the Commodity Credit Corporation, has arranged to buy the unsold balances of Peru's cotton crops at agreed prices until the end of the war, a similar arrangement having been made with regard to flax. Sugar production has been normal, with sales at prices considerably better than those in recent years. A Trade Agreement between Peru and the United States was signed in May, 1942, on a "most-favoured-nation" basis and provides for reciprocal trade concessions on products exchanged between the two countries. Tariff reductions were introduced in Peru on certain manufactured articles of United States origin, and, reciprocally, the United States import duties on Peruvian sugar, long-staple cotton, wool and certain specialized products were similarly reduced.

The total value of Peru's exports in the complete year 1941 rose by 22 per cent on 1940 to 494 million soles, while that of imports increased by 12 per cent to 358 million soles, so that the favourable trade balance advanced sharply in 1941 to 136 million soles. Latest trade returns cover the first nine months of 1942 and show that trade still runs at high levels, exports being valued at 371 million soles against imports of 242 million soles, so that the favourable trade balance was 129 million soles. The total values of the principal imports in the first nine months of 1942, with the comparable figures for the like period of 1941 given in brackets, were as follows: machinery and vehicles, 40,058,000 soles (53,598,000); textiles, 38,997,000 soles (29,611,000); metals and manufactures, 22,551,000 soles (29,428,000); chemical and pharmaceutical products, 27,369,000 soles (22,491,000); foodstuffs, etc., 26,351,000 soles (27,409,000); paints and oils, 21,850,000 soles (20,316,000); paper, stationery, etc., 14,330,000 soles (12,581,000); electrical material, 8,445,000 soles (8,675,000); timber, 8,175,000 soles (9,298,000); pottery, glassware, etc., 4,929,000 soles (6,213,000); munitions, explosives, etc., 4,590,000 soles (5,493,000); hardware, 4,978,000 soles (4,901,000). Under wartime conditions it is inevitable that oversea trade on

both import and export account is principally with the United States and also shows expansion with other South American countries, due to the loss of European markets. During the first nine months of 1942, imports from the United States cost 147,000,000 soles (61 per cent of total imports), while those from Great Britain were valued at 12,529,000 soles (5.2 per cent). Imports from British India, mainly gunnies, rose to 13,000,000 soles (5.3 per cent) from only 6,000,000 soles (2.4 per cent) in 1941. Exports to the United States brought in 162,000,000 soles (43.6 per cent of total exports), and those to Britain 18,713,000 soles (5 per cent), but there were noteworthy increases in shipments to New Zealand at 22,000,000 soles and to Australia at 18,500,000 soles against nil in both cases in 1941. Encouraged by heavy tariff duties, manufacturing industries in Peru have made great advances in recent years in both productivity and quality. Due to the wartime loss of supplies from Europe, even greater progress has recently been registered, in order to fill the potential demand from a population of about 7,000,000 persons, Peru being the fourth most populated country of South America. With ample local supplies of raw cotton, it is natural that the textile industry is one of the most important national industries, and in 1940 production amounted to about 58,000,000 yards of cloth, while the quantity of cotton fibre consumed was approximately 160,000 quintals. Local woollen mills have increased their consumption of wool to about 3,000 metric tons annually, thereby partly offsetting the loss of the British market for Peruvian wool. Among a variety of other manufactures, the production of cement is rapidly increasing, as is also the annual production of soap, perfumery and various pharmaceutical preparations, leather and shoes (5,000,000 pairs annually), glass, paint, timber, paper, confectionery, candles, etc.

There is every prospect of Peru's export trade continuing to flourish within the limits of available shipping space. While, however, Peru's economy has not so far been seriously affected by the war, some branches of local industry are now meeting important problems due to the lack of supplies from abroad, particularly of iron and other constructional materials. Moreover, the internal transport problem is also beginning to give rise to some concern; the bulk of "feeder" transport is by road, and all branches of industry and commerce must inevitably be affected by the shortage of tires, the normal annual consumption of which is around 56,000. However, by arrangement with the Goodyear interests in the United States, a tire factory is being erected in Peru, to use Peruvian raw material, and it is hoped ultimately that all internal tire needs will be met. The currency position in Peru is exceptionally strong, although the sterling exchange rate, as in the case of all Latin American currencies, has been fixed for some time under a Payments Agreement with Britain. Although the national currency is probably undervalued, it is thought that no revaluation is likely at present and that in any case this would be by international arrangement with Washington. Whereas a few months ago there was a shortage of sterling, British purchases of cotton resulted in excess sterling holdings in October last of about £400,000, but part of this has been absorbed by arrivals of merchandise from the sterling area, and probably the major part of present sterling holdings of the Central Bank will be disposed of before the arrival of the 1943 cotton harvest in April next. Therefore there seems to be a reasonable market in Peru at the moment for permitted exports from Britain, while, in any case, every endeavour should be made to preserve existing connections for post-war trade recovery. To mention one example only, the importance of the local textile industry as a market for British machinery after the war must not be overlooked. While it is almost impossible to obtain new machinery from Britain at the present time, the British authorities have taken a sympathetic view of export licences for spare parts urgently required to keep in operation British machinery already installed in local mills, although in some cases it has been necessary to have recourse to the United States.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 66, effective March 22, 1943, exemptions from requiring a permit for the exportation of maple sugar and maple syrup are changed, so that on and after March 22 export permits will be required for all shipments of maple syrup and maple sugar to any destination, with the exception of small casual shipments of one gallon or less of maple syrup or two pounds or less of maple sugar.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to February 27, 1943.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to February 27, 1943 Quantity	Per Cent
Whole milk	Gal.	3,000,000	6½ to 3¼c. per gal.	873	....
Cream	Gal.	1,500,000	56½ to 28¾c. per gal.	83	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000	2½ to 1¼c. per lb.	1,272,877	8.5
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	574,511	38.3
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	9,615	0.9
Red cedar shingles	Sq.	2,506,072		182,388	7.2
Silver or black foxes, furs and articles:					
*Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	22,754	22.7
Tails	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462	9.2

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the agreement.

Canadian manufacturers and exporters are strongly advised to file all numbers of the *Commercial Intelligence Journal* for future reference, and to bind them with the Index at the end of each half-year.

TARIFF CHANGES AND TRADE REGULATIONS

Ireland

WHEAT-MILLING REGULATIONS

Mr. George Shera, Office of the Trade Commissioner in Dublin, advises that the Minister of Agriculture has issued an Order, dated December 29, 1942, under the Agricultural Produce (Cereals) Act, 1935, fixing at 75 per cent the national volume of home-grown wheat to be milled in Eire by holders of milling licences during the cereal year September 1, 1943, to August 31, 1944. The quantity allocated for the preceding cereal year was fixed at 70 per cent.

Egypt

CUSTOMS DUTIES INCREASED

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reports that the increase of 75 per cent in specific duties on goods imported into Egypt under a Decree dated August 12, 1942 (see *Commercial Intelligence Journal* No. 2016: September 19, 1942, page 280) was made 100 per cent by Egyptian Royal Decree, effective January 30, 1943. The 100 per cent increase, however, does not apply to pomegranates, tea, mate, and imitations of tea, tobacco and tobacco products, flour of cereals, benzine and white spirit, cotton yarn and thread.

The surtax of 1 per cent ad valorem on goods subject to ad valorem duties, established by Royal Decree of May 12, 1932, has since been raised from time to time and is now 5 per cent ad valorem.

Import duties on tobacco and tobacco products have been increased by 100 milliemes per kilogram. One Egyptian pound equals 1,000 milliemes, or approximately \$4.54 Canadian, at current rate of exchange; one kilogram equals 2.204 pounds. The new duties per kilogram net are: tobacco in leaves, or deprived of stems, 1.440 Egyptian pound; tobacco, manufactured, including snuff, cigarettes and cigars, 1.840 Egyptian pound.

United States

DUTY ON WHEAT FLOUR FOR CHICKEN FEED

Second clear wheat flour, a by-product obtained in milling wheat, used as feed for chickens and not fit for human consumption, was ruled dutiable at 5 per cent ad valorem by United States customs court decision 736, published in Weekly Treasury Decisions of March 4, 1943. Duty had been assessed at \$1.04 per 100 pounds as "wheat flour" under paragraph 729 of the tariff, but the customs court held that the product was properly classifiable under paragraph 730: "bran, shorts, by-product feeds obtained in milling wheat or other cereals". The rate on these was 10 per cent ad valorem, reduced to 5 per cent in the Canada-United States trade agreement.

Ecuador

SURCHARGE IMPOSED ON IMPORTS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that, by an Ecuadorean decree of September 15, 1942, a surcharge of 1 per cent ad valorem has been imposed on all imports into and exports from Ecuador. The proceeds of this tax are to be devoted to the founding and upkeep of hospitals for tubercular patients and to the anti-tuberculosis campaign.

Peru

SURCHARGES AT SALAVERRY AND PUERTO CHICAMA

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that a Peruvian law of January 22, 1943, imposes surcharges on imports and exports through Salaverry and Puerto Chicama to provide funds for port works in the Salaverry harbour. This port is one of the chief exporting points for Peruvian sugar and molasses, and consequently imports of goods for sugar producers pass through this harbour. On imports of flour, wood, cement, petroleum and gasoline the surcharge is 1 sol (17 cents) per metric ton and on other goods 2 soles (34 cents) per metric ton. On exports the surcharge is 1.50 sol (25 cents) per metric ton. When the piers are ready for active service the surcharge is to be doubled except for sugar exports, which will pay 2 soles per metric ton. The rate for coal exports will be 2 soles as soon as the piers for automatic shipment are completed.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 22, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 22, 1943, and for the week ending Monday, March 15, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 15	Nominal Quotations in Montreal Week ending March 22	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2636	.2640	—
Brazil. Milreis (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6351	.6351	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5862	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. H. PAYNE, *Director*

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num, 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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HAY AND STRAW MARKET CONDITIONS IN THE EASTERN UNITED STATES

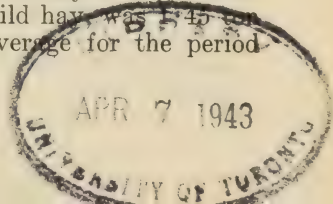
L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 15, 1943.—According to the Annual Summary of the Crop Reporting Board of the United States Department of Agriculture for the year 1942, the total production of hay exceeded 105 million short tons, the first time such a figure was reached. This was 7 million tons more than the next largest crop, in 1916, and 11 million tons more than in 1941. Making up the total are the following amounts according to type of hay:—

United States Production of Hay in 1942

Tame hay—	Tons
Alfalfa	36,547,000
Timothy and clover	28,276,000
Lespedeza hay	7,330,000
Soybeans for hay	3,945,000
Grains cut green for hay.....	3,716,000
Peanuts for hay	1,552,000
Cowpeas for hay	1,512,000
Sweet clover hay	851,000
Miscellaneous tame hay	8,516,000
Wild hay, including prairie, marsh and salt grasses.....	13,083,000
Total	105,328,000

This record crop was due in large measure to the average yields per acre, which were very high for alfalfa, clover-timothy, and wild hay and good for most other kinds. The average for all kinds, including wild hay, was 1.45 ton per acre as compared with 1.31 ton in 1941 and an average for the period



1930-39 of 1.16 ton. The normal yield for wild hay is relatively low, and consequently the actual average production of tame hay was 1.53 ton per acre as against 1.39 ton in 1941.

The 1942 hay crop was harvested from 72,744,000 acres, which was less than a million more than in 1941, although for alfalfa, lespedeza and peanut-vine hay the 1942 acreages were the largest on record. Of the total, 60,211,000 acres were devoted to tame hay.

Taking into consideration also the large crop of sorghum forage, there was a total production of about 120,000,000 tons of roughage during the past season. Even allowing for liberal feeding, there should be a large carryover of hay in mows and stacks this spring, estimated by one dealer at 35,000,000 tons.

PRODUCTION IN THE EASTERN STATES

In the states in the eastern seaboard area covered by this office the production was about 20,000,000 tons, New York State contributing the largest amount (5,975,000 tons), followed by Pennsylvania (3,319,000 tons). Other producers of over a million tons were Virginia, North Carolina and Vermont. In all these states the production was higher than in 1941 or the average for the period 1930 to 1939. The same applies to yield in these states, the figure for New York being 1.54 ton to the acre. Statistics regarding straw production are not available.

IMPORTS OF HAY AND STRAW

To supplement domestic production the United States imports a relatively small quantity of hay, amounting in 1940, the last year for which complete figures have been published, to 51,166 tons. Canada is almost the only source of imported hay and straw, the volume and value of imports during the period 1937-40 being as follows:—

United States Imports of Hay and Straw

		Hay		Straw	
		Canada	Other Sources	Canada	Other Sources
1937	.....Tons	143,795	2,354	16,014	40
	\$	1,067,267	31,861	69,262	256
1938	.....Tons	18,780	174	2,564	...
	\$	140,748	1,617	13,214	...
1939	.....Tons	48,348	...	6,537	...
	\$	380,552	...	32,090	...
1940	.....Tons	51,166	...	12,405	...
	\$	462,266	...	61,990	...

Most of this hay and straw is imported through the United States Customs districts of Vermont, St. Lawrence, Buffalo and New York.

CROP CONDITIONS

On the whole the condition of the crops in 1942 was much the same as in the preceding year. Although the yield of hay in 1942 was high, more than usual difficulties were encountered in harvesting early cuttings, due to rains, but later cuttings were generally better than usual. Dealers in the East report that as regards quality the large crop is a little too moist.

MARKETING PROBLEMS

Despite the exceptionally large production, the market has been fairly firm, owing to late deliveries and the bottleneck which, due to labour and transportation shortages, held up the pressing and trucking of hay in many localities. Extreme weather conditions have also hindered the delivery of hay, as farmers sometimes are unable to get it out when the ground is soft as a result of heavy thaws.

The bulk of the Metropolitan New York supply of hay comes from up-state New York districts centred around Syracuse, from which area the freight rate is approximately \$6 per ton. Last year some hay came from as far west as Michigan and Ohio, but transportation cost was about \$11 per ton.

DEMAND FOR HAY

In the northeastern states the principal demand for hay is for use on dairy farms, which require much greater quantities than are produced locally. Straw is also bought by the same farms for bedding purposes.

The increasing shortage of millfeeds has had the effect of making hay the cheapest of all feeds. In addition to being relatively high priced, some concentrated feeds are almost impossible to obtain because of the heavy drain resulting from the large feeding program. While a certain amount of high-protein feed must be used, it can usually be supplemented by hay, and it has been demonstrated that poor-quality hay has a decidedly adverse effect on the production of milk. Good-quality hay will, especially under these conditions, command a premium in price, and Canadian shippers are urged to offer only the highest grade for export.

The embargo on the export to the United States of Canadian alfalfa or mixtures of hay containing about 75 per cent alfalfa has been felt to some extent, as that grade is the one in greatest demand by New England buyers this year. There are apparently few offers of Canadian mixed clover, and it seldom runs over 25 per cent clover. This is not considered heavy enough for the dairy trade.

The United States Army is continuously in the market for hay for both mules and horses at the various camps but, as compared with those of the 1914-18 war period, the requirements, due to mechanization of military equipment, are small.

PRICES

Prices of hay in this area vary from \$20 to \$30 per ton delivered, depending upon its quality, the latter price applying only to absolutely top-quality hay. Good No. 2 timothy, which is an average grade, is quoted in New York at around \$25 to \$26, and good No. 3 feed at \$22 to \$24. The price of No. 1 is around \$27, and clover mixtures bring a premium, but at present there are few offers of hay better than No. 2 timothy on the New York market. It is reported that a number of buyers have temporarily withdrawn from the market because the quality of the hay available is not up to their required standards.

New York dealers are of the opinion that local prices will tend to decline, now that pastures in the Southern States are becoming available. The demand from this part of the country for hay, generally of the lower grades, and from the Boston, New York and Baltimore markets may be expected to decline seasonally.

The amount of Canadian hay offered in the New York or New England areas has been small this season, but it is understood that some brokers are offering \$12 to \$15 per ton f.o.b. cars in Quebec for top quality. To this price must be added a duty of \$2.50 and freight charges varying from \$6.50 to \$10.

Brokers in the Boston area report that they are offering \$6 to \$7 per ton for straw loaded in cars in Quebec. About a month ago buyers in this area were in receipt of more offerings of oat straw at \$14 delivered Boston rate points than they could place, but during the past few weeks scarcely any has been offered, and the price has advanced. One firm reports offers of \$15.50 to \$16 per ton delivered for good oat straw. There are no current quotations for straw in New York, although several months ago Canadian oat straw was offered in this market at around \$18 to \$19, longer rail haul accounting for the higher price.

PRICE CEILINGS ON ALFALFA ON THE PACIFIC COAST

It is noteworthy that a price ceiling of \$20 per ton at the farm level was established February 12 on alfalfa hay in California, Oregon and Washington. In establishing the maximum price, the Office of Price Administration stated that prices had climbed sharply to levels over parity in these three states and that this action would keep down feed costs to live-stock raisers and also lessen the pressure for price advances to milk producers. While the measure applies only to the Pacific Coast area, it was stated that ceilings would be established elsewhere on alfalfa if prices rose above parity level. Certain increases in the ceiling are permitted where a certificate signed by a federal hay inspector is furnished. Sellers may add transportation charges to the buyers' receiving point, and dealers may add \$1.50 a ton and retailers \$5 a ton to their net costs. The ceiling prices are all based on the price of loose hay. Sellers of baled alfalfa hay may add the actual cost of baling to the ceiling, but this must not exceed \$4 a ton.

RECLAMATION OF USED BALING WIRE

Canadian shippers of hay may be interested in the report of a machine devised by the University of California College of Agriculture to reclaim used baling wire and make it again available for use. The machine, simple to operate, easy to manufacture and low-priced, is expected by the designers to render thousands of pounds of baling wire suitable for re-use two or three times. In view of the present shortage in the supply of wire, this development may prove of interest, although it is understood that as yet there is no commercial production of the machine. Some dealers are inclined to discount its value, especially since the manpower shortage on live-stock and dairy farms, as well as transportation problems, would handicap the careful de-wiring of the bales and return of the wire to the producing areas.

ENCOURAGEMENT TO HAY SEED PRODUCTION

With a view to encouraging the 1943 production of hay seed to meet domestic, lend-lease and military requirements, the United States Department of Agriculture recently announced a price-supporting loan policy to cover twenty kinds of hay and pasture seeds.

The basic loan values at principal markets for each kind of seed are as follows:—

Basic Loan Values of Hay Seed

Alfalfa—	Common Certified	
	Cents per Pound	
Northern	30	37
Central	28	35
Red clover	25	31
Biennial white sweet clover	7	13
Biennial yellow sweet clover	6	12
Biennial mixed sweet clover	5	..
Alsike clover	22	..
Timothy	4.5	9
Smooth bromegrass	11	15
Orchard grass	18	23
Crested wheatgrass	10	..
Blue grama	10	..
Side oats grama	10	..
Buffalo grass	50	..
Bermuda grass	20	40
Dallis grass	20	..
Bahia grass	20	30
Meadow fescue	10	15
Slender wheatgrass	10	..
Western wheatgrass	8	..
Ladino clover	65	..

The seeds must be cleaned, bagged and tagged with official state purity and germination tests. Costs of dockage, cleaning, bagging and tagging and transportation to certified assembly points are to be borne by producers.

It is pointed out that the price-support program is aimed at offsetting wartime developments which could be expected to reduce seed supplies below adequate levels. The farm production program, for example, might encourage ploughing up of legumes and grasses that otherwise would be left for hay, pasture and seed. At the same time the increased production of live-stock and live-stock products would necessitate a greater acreage of hay and pasture and leave less acreage from which seed can be harvested. The price-support program will encourage farmers to utilize to better advantage their remaining acreage of legumes and grasses and also to harvest a larger quantity of seed to meet the expected demand in 1943-44.

UNITED STATES SEED POTATO PRICES FROZEN

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 22, 1943.—In an effort to put a stop to the black market in seed potatoes, which has developed recently, the Office of Price Administration on March 19 froze the price of certified white seed potatoes on sales by country shippers at their highest price between February 15 and March 1, 1943. The Order, an amendment to the original Maximum Price Order for table potatoes, also established a differential for selected white seed potatoes of 75 cents per 100 pounds above table-stock prices.

Maximum Price Regulation No. 271, effective November 9, 1942, had established control over the prices of certain perishable food commodities, including all white potatoes used for human consumption, but excluding seed potatoes. Prices f.o.b. country shipping point were set for the main producing areas on the basis of U.S. No. 1 grade in bags. These specific prices were subject to differentials for other grades and for certain types of packing and shipment. The Order, together with subsequent amendments, defines the various classes of shippers and intermediate sellers and outlines how each establishes his maximum price. Sales of white potatoes as food at retail are controlled by Maximum Price Regulation No. 268.

SALES FOR TABLE USE PROHIBITED

Further Price Administration action, with a view to preventing the sale of seed potatoes for table use, also prohibits the sale of both certified and selected white seed for any purpose other than planting. Each seller, except the retailer, must supply his buyer with an invoice on which it is stated that both have agreed that the purchase is for planting purposes only. A copy of this invoice must be sent to the Office of Price Administration within twenty-four hours after the sale. Each container of certified or selected white seed potatoes must bear a label, attached at the farm or country shipping point, properly identifying the shipment and including the following words: "seed potatoes, not to be used or sold for human consumption." These regulations are in line with the action taken recently in Canada to control the export of certified seed potatoes by means of an export licence, to prevent their being sold in the United States for table stock.

The United States controls are intended to make white potatoes available at reasonable prices to the armed forces and the housewife through normal channels and to ensure for the farmer a sufficient supply of seed for future crops.

SHORTAGE OF TABLE STOCK

A shortage of table potatoes had developed, due to a number of factors that include weather conditions in certain southern areas, labour and transportation difficulties, Army and Navy purchases, and the reluctance of farmers to sell at ceiling prices. With seed potatoes exempt from price control, a trade developed which the Food Distribution Administration endeavoured in vain to combat. Until the present action was taken, there were many ways of overcoming the technicalities of the law, and numerous consignments of seed potatoes that are customarily used only for planting purposes found their way to the dinner table in violation of the price-ceiling regulations. Potatoes mis-marked as seed have been sold for human consumption, some grocers freely advertising them as being suitable for victory-garden stock. Due to prevailing conditions, certain retailers have been limiting customers to five pounds of potatoes at a time, a reasonable action under the circumstances but one that officials felt might lend itself to abuse and lead to the evasion of maximum price regulations. It is anticipated, however, that the action taken to defeat the black market will in due course have the effect of making more table potatoes available for consumption, thereby relieving the situation.

UNITED KINGDOM PURCHASES OF FRUIT AND VEGETABLE PRODUCTS IN 1942

W. B. GORNALL, FRUIT TRADE COMMISSIONER

II

TOMATO PULP CONCENTRATE 30 PER CENT

Negotiations with the Ministry of Food relative to tomato pulp concentrate, which began during the latter part of 1941, were continued. Discussions at first centred around the advisability of the Ministry's supporting a project that might involve the diversion of steel plate for the construction of a concentration plant, but, upon the assurance that the materials were already available and priority for construction could be secured by Messrs. H. J. Heinz Co., the Ministry proceeded to consider the purchase and requested a quotation covering the largest possible quantity up to 5,000 long tons.

The Canadian quotation was somewhat delayed—unavoidably under the circumstances—and every effort had to be made to keep negotiations fluid in view of the urgency of completing contracts in South America and elsewhere, of which total quantity the Canadian tonnage had to form a part. Later the following quotation was submitted by Messrs. H. J. Heinz: 2,500 to 3,500 long tons tomato pulp concentrate 30 per cent, packed in No. 12 cans at \$9.95 per dozen cans f.o.b. Montreal or \$10.06 per dozen cans f.o.b. Saint John. This quotation was accepted by the Ministry of Food without comment and a contract was drawn up embodying the usual features of quantity, price, quality, payment, etc.

Owing to local difficulties of labour, etc., the area planted to tomatoes under contract to Messrs. H. J. Heinz was 10 per cent less than originally arranged; also weather conditions during the growing season were definitely unfavourable, resulting in a yield about 14 per cent under normal, and finally a larger number of tomatoes were required per unit of concentrate than anticipated, owing to the low dry solids content of the fresh tomato pulp, which was found to be about 3.75 per cent instead of a normal 5 to 6 per cent.

On account of these adverse factors, it was impossible for the manufacturer to provide the minimum tonnage called for under the contract, also to maintain

a uniform 30 per cent concentration throughout. The Ministry of Food fully appreciated the difficulties and agreed to accept concentrate under 30 per cent on a pro rata price basis, provided the containers were clearly marked in order to permit of easy segregation.

The concentrate was moved in three shipments that arrived safely, the total quantity—51,779 cases, equivalent to 1,306 long tons concentrate net—being made up as follows: 42,838 cases of 30 per cent concentrate; 5,193 cases of 29 per cent; 3,366 cases of 28 per cent; 382 cases of 27 per cent.

On a pro rata basis the agreed allowance on concentrate under 30 per cent amounted to approximately 33 cents per dozen cans for each 1 per cent reduction, and the f.o.b. value of the total shipment is estimated at \$255,220.

On arrival in the United Kingdom the concentrate was tested on behalf of the Ministry of Food, and the results as compared with the product from South America were as follows:—

Comparative Analysis of Tomato Pulp Concentrate

	Canadian	S. American
Colour	Very good	Fair
Flavour	Pleasing	Slightly bitter
Total solids	30.78%	30.40%
Cane sugar	0.43	
Invert sugar	11.65	16.00
Ash	3.14	2.90
Salt	0.32	0.30
Citric acid	3.10	2.74
Copper content	70 ppm dry solids	92 ppm dry solids
Tin content	0.40 grain per lb.	1.76 grain per lb.

NOTE.—The figures for metallic contamination were lower than usual, and the use of a lacquered can (internal) was noted with approval.

The possibility of future shipments under wartime conditions is not very favourable. In the first place the Ministry of Food, in an effort to reduce shipping space for imported foodstuffs to the lowest possible tonnage, is likely to eliminate this tomato product. Secondly there is a growing demand for tomato pulp in Canada, and the manpower position in the Dominion is likely to place a definite maximum limit on the production of fresh tomatoes. Thus the position in Canada appears to parallel the line of policy of the Ministry of Food, and, while this new venture has opened very successfully, it may possibly not be repeated for the remaining period of the war. There is, however, a favourable basis for reintroduction when trading facilities again become easier.

FRUITS IN SO₂

The movement of fruits in SO₂ from British Columbia to the United Kingdom during the 1942 crop season was the lowest for several years, being but one-fifth of the tonnage shipped from the 1941 crop and 75 per cent under the average for the previous four years, 1938 to 1941. Comparing the four-year period 1939-42 with the five-year term 1934-38, the average movement during the war-year period is almost three and one-half times the average pre-war volume. The estimated movement in barrels for each crop year is as follows:—

Movement of Fruits in SO₂

Yr. of Pack	Bbls.	Yr. of Pack	Bbls.
1934	461	1939	18,748
1935	4,537	1940	6,219
1936	1,158	1941	16,231
1937	424	1942	3,260
1938	10,126		
Average	3,341	Average	11,114

The appreciable increase during the war years has been due very largely to the elimination of the principal pre-war sources of supply and the maintenance

of a jam ration in the United Kingdom. The rather sharp decline in shipments during 1942 from the high level of the four previous years (1938 to 1941), was due to a plentiful supply of fruits in the United Kingdom suitable for jam production; below-average yields and internal conditions in Canada and scarcity of shipping space were contributing factors.

The war period shows a real development in this type of trade between Canada and the United Kingdom, but the extent to which it may be maintained until the close of the war will depend upon many factors and circumstances. With the ever-growing demand on shipping space for war purposes, the immediate future does not appear very favourable, and the possibility that this Canadian product will disappear from the United Kingdom's food import program should not be overlooked; also the Canadian position with regard to internal conditions, labour, and service demands, etc. may make it desirable to consume the whole output at home during the next few years.

In the preliminary discussions with the Ministry of Food regarding its requirements from Canada for the 1942 import program, it was suggested that negotiations and inquiries should be based on a maximum quantity of 5,000 tons, comprising the largest possible tonnage of strawberries, the remainder being made up of other fruits, including greengages but excluding other varieties of plums.

Information subsequently available indicated that the proposed maximum tonnage could not be supplied by a fairly wide margin. Strawberry production in British Columbia would be considerably under average, and the situation would be complicated by the removal of the enemy alien population from certain producing areas; also the yields of raspberries, blackcurrants and greengage plums were expected to be very light and provide almost negligible quantities for export. It was then proposed to introduce apricots into the program, but this was found to be impossible owing to supply being insufficient to meet home demand, and an investigation into the pulping of peaches indicated that this could not be done at a sufficiently low cost to meet conditions in the United Kingdom. British Columbia peach pulp was quoted f.o.b. Pacific Coast at £10 per ton higher than the price being charged by the Ministry of Food to jam manufacturers for supplies on hand and future deliveries.

An attempt was made to interest the Ministry of Food in a cold-pack blueberry to supplement that part of the United Kingdom blackcurrant crop reserved for jam production. A sample of a New Brunswick pack was provided and tested by a leading jam manufacturer, but the results were not satisfactory and, as quotations were expected to be high and no definite tonnage could be guaranteed, the matter was dropped.

Thus interest in Canadian fruit pulps rapidly declined, and final negotiations were confined to the purchase of the maximum tonnage of strawberries that could be supplied from British Columbia. As already indicated, the tonnage available was considerably lower than that of the previous year, and the quantity actually shipped was 3,260 barrels, each standardized to 364 pounds net of fruit, providing slightly more than 529 long tons net weight. The agreed price of £50 per long ton of fruit f.o.b. New Westminster shows an advance of £15 over the quotations for previous years, and at this level, plus ocean freight, insurance, etc., the cost to the jam manufacturer in the United Kingdom was brought into line with that charged for home-grown fruit.

The shipment reached the United Kingdom safely, was discharged at Southampton, railed to a London freight terminus and forwarded by barge to a river storage warehouse. This procedure entailed five separate handlings, but the number of damaged barrels delivered to storage was negligible.

The fruit was examined in storage and found to be of a rather variable character, which the Ministry of Food held to be somewhat unsatisfactory in view of the terms of the contract. It was then suggested that a representative

number of barrels should be subjected to a boiling test under commercial conditions, any claim for adjustment of price to be based on the report submitted by the jam manufacturer. This procedure was accepted by the Ministry, and the sample barrels were selected at random and forwarded to Messrs. Chivers & Sons with the least possible delay. The report subsequently received was favourable to the fruit and stated that a claim could not be justified. The shipment was then accepted on the understanding that, if any specific barrels were subsequently found to be unsuitable for jam production, a claim would be submitted. Part of the shipment has gone into production for Service requirements, which demand a jam of higher standard than that produced for civilian rationing, but the bulk is being held in storage, and it is expected that it will be issued for mixing with other strawberries of poorer quality.

A large quantity of strawberries in SO₂ has been received from the United States under lease-lend, but reports available indicate that the fruit is largely in a broken-down condition.

TRADE OF BARBADOS IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

II. Imports from Canada

Imports from Canada in 1941 reached a record value of £912,334, 56·7 per cent higher than the 1940 figure of £582,146 and more than three times the pre-war value of £271,968 for 1938.

Separated into the following three import classifications, it is noteworthy that for the first time, perhaps in the history of Canadian trade and certainly in recent years, the value of manufactured imports from Canada was greater than that of foodstuff imports, as shown in the following table:—

Barbados Imports from Canada by Main Groups

	Food and Drink	Raw Materials	Manufactured Products
1941	£390,600	£ 84,988	£416,783
1940	259,864	118,104	194,419
Inc. (+) or dec. (–) ..	+£130,736	–£ 33,116	+£222,364

The outstanding increases in manufactured products were in the following items: Sulphate of ammonia, £98,623 (£21,712 in 1940); cotton piece-goods, £37,309 (£8,648); art. silk piece-goods, £20,809 (£6,744); parcel-post shipments, £19,037 (£754); leather shoes and slippers, £23,501 (£12,249); medicines and drugs, £16,032 (£7,105); iron and steel manufactures n.o.p., £12,404 (£4,414); motor trucks and vans, £13,604 (£6,417); apparel, £14,213 (£9,660).

The strong upward movement in foodstuff imports was supported by increases in the following items: Flour, £111,794 (£93,954); condensed milk, £22,383 (£11,646); prepared cocoa, £9,322 (£276); lard and lard substitutes, £12,409 (£3,997); beer and ale, £9,685 (£850); wheat, £6,593 (£176); canned fish, £13,246 (£7,048); butter, £6,445 (£1,902); leaf tobacco, £7,739 (£3,627).

Only in the imports of raw and semi-manufactured products, in lumber, shingles, shooks and staves were there any serious decreases.

DETAILS OF IMPORTS

Following are the details of imports of interest to Canadian exporters where imports from Canada amounted to £1,000 or more in value, with values for 1940 within parentheses.

FOODSTUFFS

Beer and Ale in Bottles.—Total 86,547 gallons, £17,309 (73,131 gallons, £14,626): United Kingdom, £7,624; Canada, £9,685 (£850).

Biscuits, Unsweetened, in Tins.—Total, 25,612 lb., £1,281 (22,529 lb., £1,408): Canada, £1,057 (£954).

Butter.—Total, 580,708 lb., £36,294 (490,306 lb., £29,418): Eire, £10,788; Argentina, £9,257; New Zealand, £7,814; Canada, £6,445 (£1,902).

Bran and Pollards.—Total, 4,675,544 lb., £18,702 (3,978,224 lb., £13,924): Brazil, £11,784; Argentina, £5,428; Canada, £1,490 (£164).

Oilmeal and Oilcake.—Total, 10,438,535 lb., £52,193 (8,266,844 lb., £42,023): Argentina, £29,457; Canada, £22,120 (£23,725).

Cattle and Animal Foods n.o.p.—Total, 1,696,021 lb., £5,936 (1,871,239 lb., £4,990): Canada, £4,838 (£2,008).

Cheese.—Total, 112,534 lb., £7,033 (91,193 lb., £4,559): Canada, £6,957 (£4,508).

Prepared Cocoa.—Total, 161,500 lb., £12,113 (120,089 lb., £9,007): United Kingdom, £2,013; Canada, £9,322 (£276).

Prepared Coffee.—Total, 30,974 lb., £2,323 (18,703 lb., £1,169): Canada, £1,670 (£589).

Confectionery.—Total, £4,602 (£5,820): United Kingdom, £2,810; Canada, £1,750 (£1,136). (£1,136).

Canned Fish.—Total, £13,532 (£8,396): Canada, £13,246 (£7,048).

Fish, Dried, Salted and Smoked.—Total, 18,297 quintals, £36,594 (32,002 quintals, £42,902): Newfoundland, £29,182; Canada, £7,412 (£6,661).

Canned and Bottled Fruits.—Total, £2,623 (£1,647): Canada, £1,356 (£448).

Fresh Apples.—Total, £1,852 (£2,640): Canada, £1,852 (£2,602).

Wheat.—Total, 1,318,656 lb., £6,593 (37,000 lb., £176): all from Canada.

Oats.—Total, 4,532,732 lb., £22,663 (4,355,255 lb., £18,510): Canada, £22,554 (£18,510).

Wheaten Flour.—Total, 97,213 bags, £111,794 (85,382 bags, £98,189): Canada, £111,794 (£93,954).

Maize or Cornmeal.—Total, 28,032 bags, £32,236 (26,106 bags, £28,717): Argentina, £10,927; United States, £3,771; Canada, £17,523 (£11,440).

Dried Peas and Beans.—Total, 1,633,713 lb., £16,337 (1,096,656 lb., £8,224): India, £5,958; Trinidad, £3,966; St. Vincent, £1,701; Chile, £1,180; Canada, £3,258 (£592).

Farinaceous Preparations.—Total, £7,263 (£5,847): Canada, £5,421 (£4,139).

Hay.—Total, 257,959 lb., £1,096 (190,922 lb., £764): all from Canada.

Lard and Lard Substitutes.—Total, 86,132 lb., £2,584 (296,853 lb., £6,530): Argentina, £345; Canada, £2,209 (£3,997). Imports from January 1 to March 3; thereafter figures for animal lard are shown separately.

Animal Lard.—Total, 122,102 lb., £3,663: all from Canada. (Figures for March 4 to December 31).

Other Lard and Lard Substitutes.—Total, 341,767 lb., £10,252: Argentina, £1,142; Jamaica, £2,217; Canada, £6,537. (Figures for March 4 to December 31).

Pork, Salted.—Total, 2,465,745 lb., £49,315 (1,949,328 lb., £38,986): Argentina, £2,086; Canada, £47,229 (£31,222).

Milk, Condensed or Otherwise Preserved (not less than 9 per cent Butterfat).—Total, 817,208 lb., £22,473 (1,106,912 lb., £23,245): Canada, £22,383 (£11,646).

Milk, Condensed or Otherwise Preserved (less than 9 per cent Butterfat).—Total, 37,835 lb., £1,040 (not listed in 1940): all from Canada.

Tea.—Total, 122,310 lb., £12,231 (132,500 lb., £9,937): Ceylon, £5,941; India, £4,131; Canada, £2,103 (£509).

Unmanufactured Leaf Tobacco.—Total, 171,843 lb., £9,795 (122,718 lb., £6,647): India, £2,056; Canada, £7,739 (£3,627).

Snuff.—Total, 10,269 lb., £1,541 (5,304 lb., £795): Canada, £1,541 (£570).

Canned Vegetables.—Total, 55,070 lb., £1,377 (27,715 lb., £693): Canada, £1,311 (£591).

Onions.—Total, 1,680,809 lb., £12,606 (1,664,775 lb., £9,989): Argentina, £2,605; Canada, £8,444 (£5,564).

Potatoes.—Total, 2,737,552 lb., £13,688 (2,353,484 lb., £10,590): Canada, £13,492 (£10,410).

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Douglas Fir, Undressed.—Total, 955,927 ft., £9,560 (1,314,744 ft., £12,489): all from Canada.

Douglas Fir, Dressed.—Total, 948,176 ft., £9,482 (2,361,792 ft., £22,435): Canada, £9,482 (£20,797).

Other Kinds, Undressed, not including Pitch Pine or Hardwoods.—Total, 2,574,859 ft., £28,323 (3,421,190 ft., £34,212): Canada, £27,674 (£33,690).

Shingles.—Total number, 8,179,008, £8,587 (14,277,600, £14,991): Canada, £8,518 (£14,950).

Shooks and Staves.—Total, £44,252 (£53,647): Canada, £28,240 (£35,972).

MANUFACTURED PRODUCTS

Socks and Stockings (First Cost not exceeding 2s. Per Pair).—Total, 176,886 pr., £6,227 (275,248 pr., £9,092): United Kingdom, £1,428; Hongkong, £1,766; Canada, £3,020 (£3,828).

Socks and Stockings (First Cost exceeding 2s. Per Pair).—Total, 14,164 pr., £2,053 (19,339 pr., £2,692): Canada, £2,001 (£2,514).

Apparel, Other Kinds.—Total, £32,254 (£38,303): Hongkong, £10,627; Canada, £14,213 (£9,660).

Cordage.—Total, 116,729 lb., £4,085 (141,957 lb., £4,115): United Kingdom, £2,420; Canada, £1,561 (£961).

Cotton Piece-goods (First Cost not exceeding 1s. Per Yard).—Total, 2,273,624 sq. yd., £79,076 (2,237,180 sq. yd., £66,885): United Kingdom, £40,664; Hongkong, £4,601; Canada, £33,380 (£7,715).

Cotton Piece-goods (First Cost exceeding 1s. Per Yard).—Total, 166,316 sq. yd., £12,965 (121,067 sq. yd., £8,281): United Kingdom, £8,739; Canada, £3,929 (£933).

Other Cotton Manufactures, except Apparel.—Total, £82,963 (£64,753): United Kingdom, £75,633; Canada, £6,742 (£5,756).

Art. Silk Piece-goods (First Cost not exceeding 1s. Per Yard).—Total, 482,002 sq. yd., £19,634 (433,574 sq. yd., £16,749): United Kingdom, £14,414; Canada, £3,472 (£2,865).

Art. Silk Piece-goods (First Cost exceeding 1s. Per Yard).—Total, 382,915 sq. yd., £31,110 (214,383 sq. yd., £16,538): United Kingdom, £11,570; Hongkong, £2,028; Canada, £17,337 (£3,879).

Soft Haberdashery and Millinery.—Total, £4,088 (£6,230): United Kingdom, £2,195; Canada, £1,737 (£803).

Wool and Woollen Manufactures.—Total, £30,676 (£21,799): United Kingdom, £29,617; Canada, £1,037 (£566).

Cutlery.—Total, £2,775 (£1,250): United Kingdom, £1,308; Canada, £1,432 (£138).

Electrical Appliances, Other than Radios.—Total, £13,096 (£18,727): United Kingdom, £6,040; Canada, £5,834 (£1,305).

Metal Furniture.—Total, £6,017 (£4,678): United Kingdom, £3,125; Canada, £2,687 (£1,422).

Metal Refrigerators.—Total, £2,137 (£3,899): Canada, £1,860 (£2,418).

Hardware, Other than Furniture, Hollow-ware, Cutlery, Implements and Tools.—Total, £12,926 (£17,339): United Kingdom, £7,915; Canada, £4,345 (£2,419).

Sugar Machinery.—Total, £35,242 (£67,388): United Kingdom, £30,321; United States, £1,501; Canada, £3,232 (£2,915).

Galvanized Sheets.—Total, £6,419 (£12,205): United Kingdom, £2,988; United States, £1,715; Canada, £1,716 (£255).

Iron and Steel Bars, Hoops and Rods.—Total, £4,943 (£26,473): United States, £2,539; United Kingdom, £1,179; Canada, £1,225 (£3,597).

Iron and Steel Rivets and Nails.—Total, £6,478 (£6,151): United Kingdom, £1,285; Canada, £5,193 (£4,830).

Wire and Wire Fencing.—Total, £4,273 (£3,526): United Kingdom, £2,335; Canada, £1,465 (£1,484).

Iron and Steel Manufactures n.o.p.—Total, £18,133 (£31,998): United Kingdom, £3,875; United States, £1,850; Canada, £12,404 (£4,414).

Sewing-machines.—Total, £5,390 (£2,986): United Kingdom, £1,452; Canada, £3,460 (£5).

Motor Cars.—Total number, 42, £6,349 (132, £19,645): United Kingdom, £2,716; Canada, £3,603 (£4,674).

Motor Trucks and Vans.—Total number, 64, £13,604 (54, £11,606): Canada, £13,604 (£6,417).

Parts for Motor Cars, Trucks and Vans.—Total, £18,044 (£13,227): United Kingdom, £6,487; United States, £5,809; Canada, £5,748 (£3,813).

Dynamite.—Total, £2,073 (£224): Canada, £1,919 (Nil).

Bags, Trunks and Valises.—Total, £3,335 (£1,707): United Kingdom, £1,058; Canada, £2,101 (£722).

Boots, Shoes and Slippers, wholly or partly of Rubber.—Total, 175,130 pairs, £18,183 (141,538 pairs, £12,051): Hongkong, £7,623; India, £2,771; United Kingdom, £286; Canada, £8,503 (£4,181).

Boots, Shoes and Slippers, Other Kinds.—Total, 99,993 pairs, £40,399 (108,775 pairs, £35,363): United Kingdom, £16,113; India, £439; Hongkong, £160; Canada, £23,501 (£12,249).

Brooms and Brushes.—Total, £3,730 (£3,268): United Kingdom, £2,084; Canada, £1,604 (£1,067).

Cement.—Total, 18,069 bbl., £17,165 (21,230 bbl., £15,923): United Kingdom, £12,611; Canada, £4,554 (£6,497).

Sulphuric Acid.—Total, 289,573 lb., £7,239 (306,901 lb., £6,395): United Kingdom, £407; Canada, £6,832 (£1,745).

Chemicals n.o.p.—Total, £10,825 (£11,709): United Kingdom, £6,908; Canada, £1,997 (£1,272).

Glass Bottles.—Total, £4,896 (£2,194): United Kingdom, £908; United States, £341; Canada, £3,647 (£1,072).

Hard Haberdashery.—Total, £3,669 (£2,672): United Kingdom, £1,605; Canada, £1,917 (£380).

Rubber Tires and Tubes.—Total, £20,387 (£11,506): United Kingdom, £6,959; Canada, £13,004 (£6,076).

Other India Rubber and Gutta Percha Manufactures.—Total £2,314 (£1,985): Canada, £1,591 (£1,132).

Sulphate of Ammonia.—Total, 6,732 tons, £98,623 (12,785 tons, £185,062): Canada, £98,623 (£21,712).

Medicines and Drugs.—Total, £28,607 (£25,676): United Kingdom, £10,540; United States, £1,541; Canada, £16,032 (£7,105).

Oilcloth and Linoleum.—Total, £1,842 (£1,426): Canada, £1,448 (£472).

Paint Oil.—Total, 32,727 gal., £5,318 (29,358 gal., £4,403): United Kingdom, £392; Canada, £4,758 (£2,084).

Paints and Colours.—Total, 501,534 lb., £12,538 (434,716 lb., £10,868): United Kingdom, £8,964; Canada, £3,497 (£1,542).

Printing Paper.—Total, £5,078 (£10,768): Canada, £4,483 (£8,534).

Writing Paper.—Total, £2,783 (£4,061): United Kingdom, £1,228; Canada, £1,485 (£631).

Wrapping Paper.—Total, £17,761 (£22,672): Canada, £17,211 (£13,165).

Paper Manufactures n.o.p.—Total, £12,718 (£10,790): United Kingdom, £7,354; Canada, £5,114 (£2,661).

Perfumery, Cosmetics and Toilet Requisites.—Total, £11,019 (£8,436): United Kingdom, £5,551; Canada, £4,962 (£2,107).

Fancy Soap.—Total, £4,793 (£3,692): United Kingdom, £2,096; Canada, £2,691 (£1,342).

Wood and Timber Manufactures n.o.p.—Total, £9,366 (£7,156): United Kingdom, £2,497; United States, £2,386; Canada, £4,305 (£2,084).

Manufactured Goods n.o.p.—Total, £15,850 (£10,415): United States, £720; United Kingdom, £7,456; Canada, £7,605 (£2,680).

Parcel-post Shipments.—Total, £49,950 (£10,634): United Kingdom, £21,260; United States, £6,104; Canada, £19,037 (£754).

Following are total values of items imported into Barbados of which the values of supplies from Canada, indicated within parentheses, were less than £1,000:—

Extracts and essences, £2,652 (£856); pickled trout and salmon, £1,715 (£328); barley, £690 (£689); jams, jellies and marmalade, £1,643 (£779); bacon and ham, £16,131 (£698); salted beef, £15,298 (£548); canned meat, £13,234 (£107); pickles, sauces and condiments, £2,299 (£595); gin, £2,206 (£38); whisky, £6,243 (£73); refined sugar, £447 (all from Canada); blacking and polishes, £2,765 (£846); hats and bonnets, £6,427 (£700); plants, seeds and bulbs, £740 (£395); headings, £7,632 (£499); hoops, £382 (all from Canada); bags and sacks, exceeding 40 inches by 20 inches but not exceeding 44 inches by 26½ inches, £19,602 (£328); twine, £1,921 (£771); mats and matting, £1,623 (£387); metal buckets, pails and tubs, £1,230 (£393); clocks, watches and parts, £492 (£197); metal hollow-ware, £3,172 (£411); refrigerator parts, £652 (£410); implements and tools, other than agricultural, £2,330 (£250); oil machinery, £234 (£144); ice machinery, £607 (£81); printing machinery, £2,614 (£260); machinery n.o.p., £6,950 (£791); copper and copper manufactures, £2,100 (£74); photographic appliances and accessories, £1,662 (£807); plate and plated ware, £972 (£514); scientific instruments, £866 (£153); typewriters and parts, £1,027 (£818); bicycles and tricycles, £6,196 (£177); vehicles and parts, other than cars and vans, £886 (£292); china, porcelain and earthenware, £5,958 (£178); cork manufactures, £1,631 (£506); lamps, chimneys, and table glassware, £4,389 (£184); leather, dressed and undressed, £4,420 (£516); saddlery and harness, £307 (£121); leather manufactures n.o.p., £508 (£34); lubricating oil, £9,837 (£517); oils n.o.p., £4,339 (£401); polishes and varnish, £1,681 (£740); turpentine, £1,085 (£516); common soap, £15,589 (£212); stationery, other than paper, £2,959 (£710); toys and games, £911 (£173); wooden furniture, £2,558 (£947); spars and sweeps, £334 (£331); horses, £870 (£120).

CONTROL IN NEW ZEALAND OF PRODUCTION AND IMPORTS OF PAINT

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, reports under date February 19, 1943, that, owing to conditions in countries of supply, the New Zealand Government has issued Paint Control Notice, 1943, imposing strict control of the import, production, sale and use of paint and its ingredients.

Heretofore 95 per cent of the raw materials required in the manufacture of paint has been imported, largely from the United Kingdom and Australia. Of a total import value in 1940 (the latest year for which statistics are available) of £451,812, the United Kingdom supplied over half and Australia about a third. The value of imports from Canada totalled only £16,947, and those from the United States were valued at £47,869. Henceforth all orders for these materials are to be bulked and will cover requirements for a year ahead. White lead is included among the products affected by these control measures.

Following is a copy of the official notice (effective February 19, 1943) referred to above:—

Paint Control Notice, 1943

Pursuant to the Factory Emergency Regulations 1939, I, George Augustus Pascoe, Factory Controller, hereby direct and give notice as follows:—

1. This notice may be cited as the Paint Control Notice 1943.
2. This notice shall come into force on the day next following the date of publication hereof in the *Gazette*.
3. In this notice, unless the context otherwise requires, "paint" includes lacquers, enamels and varnishes, and white lead in oil.
4. (a) After the coming into force of this notice, no person to whom this clause applies shall manufacture during any period of three months more than one-eighth of the quantity, by volume, of paint manufactured by him during the year 1941: provided that for the purposes of this clause no account shall be taken of paint manufactured in pursuance of an order issued by, or a contract with, the Defence Purchase Officer, the Building Controller, the Public Works Department, or any other Government Department and clearly shown as being for an Armed Service or for some other war purpose.
- (b) This clause shall apply to every occupier of a factory and to every person who in the period of three months ending on the date of the coming into force of this notice has used materials specified in the Schedule to this notice of a total weight exceeding 5 cwt.
5. Except with the prior consent in writing of the Factory Controller, no person shall use any of the following materials in the manufacture of paint or for any other purpose whatsoever:—

Acetone
Butyl acetate
Cellosolve acetate
Methyl ethyl ketone
Phthalic anhydride

Amyl acetate
Butyl alcohol (Butanol)
Ethyl acetate
Chromium oxide
Zinc oxide.

6. Within seven days of the importation of any materials specified in the Schedule to this notice, the importer thereof shall furnish in writing to the Factory Controller particulars of the importation.

7. Every person who, on the last day of February, 1943, or on the last day of any of the months of May, August, November or February thereafter, is the owner of any of the materials specified in the Schedule to this notice shall, if the total weight of those materials exceeds 5 cwt. furnish in writing to the Factory Controller stock returns showing the quantity of each of the materials

so owned. The stock returns shall be furnished within fifteen days, shall specify the quantity of each material in the units of measurement indicated in the Schedule, and shall be signed by the person making the return.

8. Every person who manufactures paint shall, not later than the 15th day of each month, furnish in writing to the Factory Controller a return showing the sales of paint by him during the month immediately preceding the month in which the return is made. The first such return shall be furnished not later than the 15th day of April, 1943.

9. Every other person who on the 1st day of any month is the owner of not less than 5 cwt. of white lead, whether dry or in oil, or who in any month sells not less than 5 cwt. of white lead, shall not later than the 15th day of the following month furnish in writing to the Factory Controller a return showing the sales of white lead by him during the month immediately preceding the month in which the return is made.

The materials specified in the Schedule to the foregoing notice comprise the following:—

White pigments: white lead, dry; white lead, in oil; lithopone; titanium (all grades); zinc oxide (all grades).

Red lead.

Paint fillers: Barytes; China clay; kaolin; silica; blanc fixe; talc.

Chromes: primrose; lemon; middle; orange.

Greens: chromium oxide; Brunswick light; Brunswick middle; Brunswick dark.

Blues: ultramarine; Prussian (or milori); monastral.

Miscellaneous materials: aluminium powder; phthalic anhydride; yellow ochre; carbon black (all grades); lamp black; vegetable black; drop black.

Oils: "Doboline" or dehydrated castor-oil; tung oil.

Resin, synthetic: maleic; phenolic; ester resins (all grades).

Resins, natural: Congo copal (all grades); shellac (all grades); rosin (all grades).

Solvents: acetone; butanol (normal); butanol (secondary); butyl acetate (normal); butyl acetate (secondary); cellosolve acetate; ethyl acetate; amyl acetate; methyl ethyl ketone; vegetable turpentine.

Lacquer plasticizers: dibutyl phthalate; tricresyl phosphate.

Nitrocotton (all grades).

CO-OPERATIVE CONTROL OF IMPORTS OF CANADIAN FOODSTUFFS INTO NEWFOUNDLAND

Arrangements have been completed between Newfoundland and Canada to cover imports into Newfoundland of practically all civilian foodstuffs. Canadian exporters should obtain from their Newfoundland clients or agents a Certificate of Essentiality for each product, which should be attached to any application for an export permit that may be made to the Export Permit Branch, Department of Trade and Commerce. Permits will be granted in accordance with the agreement reached between Newfoundland and the Canadian Export Control authorities.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 67, effective March 25, 1943, the following commodities are exempted from requiring an export permit as indicated: (1) Eggs in the shell, when shipped to Newfoundland; (2) eggs for hatching, when shipped to any part of the British Empire or to the United States.

Export Permit Regulation 33(a) is amended to read as follows:—

"Export permits are not required for shipments, not exceeding ten thousand pounds in any one week, to the United States of fresh pickerel, whitefish, or lake trout by licensed fishermen. The fisherman's licence number must be shown clearly on the Export Entry Form B13-B."

NOTE.—The above replaces the wording given under Export Permit Branch Order No. 62, effective March 1, 1943 (see *Commercial Intelligence Journal* No. 2040: March 6, 1943, page 195). It is to be noted that there is practically no change in the actual quantity exempted, but it is now permissible to ship these fish in a few large shipments each week rather than in small daily shipments.

Exporters shipping whitefish, pickerel and lake trout without an export permit under the above exemption should submit an extra copy of the Export Entry Form to the Collector of Customs at the port of exit, with the licence number marked clearly thereon.

By Export Permit Branch Order No. 68, effective March 24, 1943, shipments of ginseng are exempted from requiring an export permit when shipped to any part of the British Empire or to the United States. (Ginseng is listed under the heading "Roots, medicinal", on page 26 of the Fourth Revision of Export Permit Regulations.)

TARIFF CHANGES AND TRADE REGULATIONS

Trinidad

SOME MODIFICATIONS OF IMPORT RESTRICTIONS

A Notice issued by the Trinidad Control Board on March 15 states that applications for licences for the importation of rayon piece-goods from the United States will now be considered.

Notification was also given on March 15 that perfumery and cosmetics costing less than \$5 (B.W.I. currency) per dozen, c.i.f. Port of Spain, will be permitted importation from all countries, subject to import quotas based on the average imports for 1938 and 1939.

A Control Board Notice of March 18 states that applications for licences to import women's and children's dresses from sources other than the British Empire will be considered.

Barbados

IMPORT CONTROL REGULATIONS MODIFIED

Mr. G. A. Newman, Canadian Trade Commissioner at Port of Spain, reported on March 15 that the Barbados Control Board has issued a notice stating that licences will be granted for the importation of boots and shoes from all countries; plastic table and kitchen utensils, blankets and hosiery from the United States; and canned fruit from Cuba.

Ireland

FURTHER SUSPENSION OF IMPORT QUOTA RESTRICTION ON SPARK PLUGS

Mr. E. L. McColl, Canadian Trade Commissioner at Dublin, writes under date February 2, 1943, that, by an Order of the Government of Eire dated January 23, 1943, the quota restriction on imports into Eire of certain sparking plugs and component parts thereof has been further suspended until June 30, 1943. This step was taken because of the scarcity of raw materials necessary to keep the two local plug-manufacturing concerns in production. The demand for plugs in this country is limited, due to shortage of petrol supplies and the consequent restriction of motor traffic.

MAXIMUM PRICES FOR SEED BARLEY AND SEED OATS

Mr. George Shera, Office of the Canadian Trade Commissioner in Dublin, advises that, by an Order of the Minister for Agriculture, entitled the Emergency Powers (Cereals) Order, 1942, (Fourth Amendment) Order, 1943, the following maximum prices have been announced for the sale season January 18, 1943, to August 31, 1943, for seed barley and seed oats: Seed barley 48s. per barrel (224 pounds), seed oats 35s. per barrel (196 pounds). A price of 25s. 8d. per barrel (196 pounds) has been fixed as a maximum for oats other than seed.

The maximum prices fixed for the preceding sale season for the foregoing commodities were respectively 44s., 31s. 6d., and 22s. 4d.

St. Pierre and Miquelon

PRICE CONTROL REGULATIONS

Lieutenant D. E. folkes Jemmett, Acting Consul for Canada in St. Pierre, writes that price control regulations were brought into force in St. Pierre and Miquelon on December 15, 1942. Under these regulations, profits on the sale of all merchandise are limited to maximum percentages laid down in the decree. On foodstuffs the maximum profit for wholesale transactions is limited to 5, 8 or 10 per cent for most commodities, but for some products a higher profit is allowed. The maximum profit for retail sales is usually, but not always, somewhat higher. For example, the profit on egg powders, dry fruits and vegetables and pickles and sauces must not exceed 5 per cent wholesale and 10 per cent retail; on flour, butter, milk and oatmeal the limit is set at 8 per cent and 15 per cent, respectively; on fresh vegetables it is 10 per cent and 30 per cent, respectively; on cheese 15 per cent, and on apples 20 per cent are maximum profits allowed for both wholesale and retail transactions. In all cases the sale price of local farm products must not exceed the sale price of similar products of foreign origin. On most items of clothing the profit, both wholesale and retail, is limited to 15 per cent for cheaper articles and 50 per cent for more expensive goods. Other goods include paints, seeds and garden utensils, 15 per cent; lumber, agricultural implements, pharmaceutical specialties, automobiles and tires, 20 per cent; hardware, oilcloth, clocks, and all articles not specially mentioned in the decree, 25 per cent.

The cost price of an article is interpreted as being its invoice price plus freight, insurance and trucking to the shop in St. Pierre. Wholesalers may add 3 per cent to this cost price, and retailers 5 per cent, but these extra profits must not be combined in the case of merchants engaged in both wholesale and retail trade. Price tags, marked in ink, are required for each article.

Canada-Brazil

TRADE AGREEMENT RATIFIED

Ratifications of the Trade Agreement between Canada and Brazil, which was signed at Buenos Aires on October 17, 1941 (see *Commercial Intelligence Journal* No. 1969; October 25, 1941, page 500), were exchanged at Ottawa on March 17, 1943. In accordance with the terms of the agreement, it goes definitively into force thirty days after the exchange of ratifications and is to remain in force for two years. Its duration is automatically continued thereafter for one-year periods, subject to termination by either party on six months' notice. Pending the definitive coming into force of the agreement, it has been in force provisionally from the date of signature. Briefly the trade agreement provides for mutual accord of most-favoured-nation treatment in all matters concerning customs duties and subsidiary charges, formalities of customs entries, and regulations affecting the sale or use of imported goods. Most-favoured-nation treatment in Brazil entitles imports to the benefit of a minimum tariff, usually about one-fifth lower than the general tariff, and on some goods further reductions as established in a Brazilian-United States Trade agreement of February 2, 1935.

EXCHANGE CONDITIONS IN BOLIVIA

M. J. VECHSLER, CANADIAN TRADE COMMISSIONER

Santiago, March 4, 1943.—Under date February 15, 1943, the Bolivian Government, by decree law, fixed the following rates in foreign currencies for the boliviano: 42·42 bolivianos to the United States dollar; 170·32 bolivianos to the pound sterling; 10·20 bolivianos to the Argentine peso; and 6·60 bolivianos to the Peruvian sol. As a result, there is now but one legal rate of exchange in Bolivia.

According to a statement of the Minister of Finance, "the influx of foreign money, through increased exportation, enabling the Central Bank to count on reserves normally exceeding U.S.\$20,000,000, with the possibility of a further influx through loans from the United States Import Export Bank, readjustment of prices, lack of large-scale importations on account of difficulties in purchasing abroad, transport and other factors, decided the readjustment of the monetary unit at improved rates."

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MARCH 29, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, March 29, 1943, and for the week ending Monday, March 22, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 22	Nominal Quotations in Montreal Week ending March 29	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2640	.2664	—
Brazil. Milreis (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6351	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5862	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

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Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

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Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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ECONOMIC CONDITIONS IN CHILE IN 1942

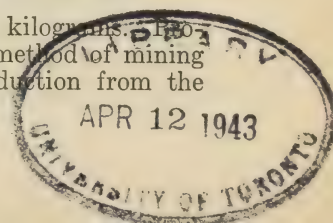
M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, March 18, 1943.—Conditions in Chile in 1942 showed no marked improvement in comparison with those of the previous year. Prices, which rose steadily in 1941, continued to rise even more sharply in 1942. Authorities of the Central Bank of Chile, in commenting on the price rise, stated that, if in 1941 the rise in prices was due principally to factors of a non-monetary nature, in 1942 the effect of purely monetary factors on the price movement was almost decisive. Conceding that prices have risen in recent years in almost all countries, the Central Bank states that, although Chile has not as yet felt the repercussions of the war to the same extent as other countries, the rise in prices has become alarming. Two factors are indicated in reference to conditions in 1942: the almost complete lack of progress in commercial development during 1942 and the continued increase in the creation and circulation of currency.

MINERAL PRODUCTION

During recent years, mining production in Chile reached its highest level in September, 1941; since then there has been a general downward tendency. The index for 1941 was 108.3; for 1942 it was 105, a decline of approximately 3 per cent. Coal production alone showed a small increase that was insufficient to meet growing needs. Production of coal amounted to 2,150,950 tons in comparison with 2,061,570 tons in 1941.

Gold production fell from 8,206 kilograms in 1931 to 5,827 kilograms in 1942. Production from gold washings fell to the 1932 figure, when this method of mining was first undertaken, and amounted to 349 kilograms. Production from the



mines dropped by 15 per cent to 1,885 kilograms. It is estimated that copper production also declined, but statistical returns for this commodity are not published. The production of iron ore ceased during the course of the year. Nitrate production continued at about the same level as in the previous year. The returns for the nitrate year ending June 30, 1942, were 1,362,961 tons.

MANUFACTURING

Although the index of manufacturing production rose in 1940 by 11 per cent and by 2·4 per cent in 1941, it declined by 1·3 per cent in 1942. Reductions were recorded in the production of the greater number of industries comprising the index. These included soap (16 per cent), beer (13), coke (12), shoes (11), tar (9), tobacco products (8), paper products (7·5), and matches (5 per cent). Production of sugar increased by 19 per cent, and small increases were recorded for the output of knitting wools (4 per cent), glass (5·5 per cent), and cement (1·3 per cent).

AGRICULTURE

The 1941-42 wheat crop was slightly more than that of the previous year, amounting to 7,842,765 metric quintals (13,071,275 bushels). As a result, some 800,000 quintals (1,333,333 bushels) had to be imported in order to meet domestic requirements. It is estimated that the area sown to wheat in 1942-43 is only 2·7 per cent greater than in the previous year and a resulting deficiency is anticipated. Although the initial minimum price of wheat was fixed at 118 Chilean pesos per quintal, it was subsequently raised to 125 pesos and later to 135 pesos per quintal. Throughout the year, however, transactions were effected at higher prices. Prices for 1942-43 have been tentatively fixed at 150 pesos per quintal.

The oat crop amounted to 677,054 quintals (1,991,336 bushels). There was a heavy decline in the barley harvest—703,349 quintals (1,465,310 bushels)—and a further reduction of about 10 per cent is expected for the current year. There were no barley exports during 1942.

The potato crop increased by some 22 per cent as compared with that of 1941 and the maize crop by 4 per cent. On the other hand, there was a decline in the harvest of chick peas of 25 per cent, in beans of 13 per cent, green peas of 11 per cent, and lentils of 1 per cent.

As a result of a lack of export markets, in normal times, principally in Europe, there has been a change-over to crops offering more favourable export prospects, especially rice and hemp. The increased production of rice has practically eliminated the importation of this cereal. The harvest of hemp seed amounted to 133,636 quintals (303,718 bushels). Hemp fibre production was 146,353 quintals, and the exportation of this latter commodity has increased to an appreciable extent.

FOREIGN TRADE

Total exports from Chile in 1942 were valued at 862·8 million pesos (of 6d. gold, the basis on which statistical returns are made) in comparison with 767·9 million pesos in 1941. The value of imports rose from 524·8 million pesos in 1941 to 621·6 million pesos. On a percentage basis, exports increased by 12·4 per cent and imports by 18·4 per cent. In volume, however, the increases were 3·2 per cent and 7·8 per cent respectively.

A further reduction is recorded for the interchange of goods with European and Asiatic countries, while there was a considerable increase in the trade with American countries.

The total value of Chilean exports, excluding nitrates and iodine, which are not detailed by countries of destination, totalled 749·6 million gold pesos. Exports to Europe, principally Great Britain, accounted for 26·1 million pesos

or 3.5 per cent of the total value of exports. There were no exports to Germany, Italy and France. Exports to the United States were valued at 602.4 million pesos, or approximately 80 per cent of the total. Shipments to Latin American countries were valued at 120.5 million gold pesos, or 16 per cent of the total. Exports have increased especially to Argentina (51.9 million pesos), Brazil (33.4 million pesos), and Bolivia (10.9 million pesos).

Imports from Europe amounted to 53.4 million pesos (8.6 per cent of the total value), of which the United Kingdom supplied to the value of 32.4 million pesos and Sweden 11 million pesos.

The United States supplied goods to the amount of 282.6 million pesos (45.5 per cent of the total), while all Latin American countries supplied to the value of 264.4 million pesos, or 42.5 per cent of the total. Among Latin American countries Peru with 122.6 million pesos was the leading supplier, principally of sugar, and was followed by Argentina with 74.2 million pesos. Brazil was in third place with 50.8 million pesos.

Imports from Asiatic countries were small and did not account for more than 2.7 per cent of the total value of imports.

INTERNAL TRADE

The principal feature of Chilean internal trade in 1942 was the sharp rise in prices. Wholesale prices, according to the index, rose by 36 per cent over those of 1941. Partial indexes, always indicative of the averages for the entire year, show that prices of dairy products increased by 26.7 per cent, of mineral products by 17.6 per cent, of products of the national industries by 33.1 per cent, and of imported products by 49.4 per cent.

The cost-of-living index rose by 25.6 per cent over that for 1941, and 61.1 per cent over that for 1940. Prices of foodstuffs increased over those of 1941 by 30.1 per cent, rents increased by 22.1 per cent, fuel and light by 15.7 per cent, clothing by 26.3 per cent, and sundry articles by 7.4 per cent.

VOLUME OF BUSINESS

In 1938 the total of deposits in current account, in the semi-annual period of monthly balances, was some 1,544.5 million pesos, and by 1942 this had risen to 2,624.3 millions, or by 70 per cent. On the other hand, the monthly average of currency in free circulation increased from 618.5 million pesos in 1938 to 1,404.3 millions in 1942, or by 127 per cent.

In establishing the frequency of the turnover of current account deposits, it is noted that in 1938 this is represented by 20.03; the corresponding figure for 1942 is 25.71, so that during the past four years the turnover of current account deposits increased by 28 per cent.

Total currency transactions in 1938 amounted to 37,130.6 million pesos. In 1939 the total was 40,509.5 millions; in 1940, 49,577.7 millions; in 1941, 64,042.5 millions; and in 1942, 85,523 millions. This last figure represents a daily rate of 46.90 pesos per head of population.

The foregoing rise has naturally been influenced by the rise in prices. Based upon the foregoing and taking the index of the cost of living into consideration, the general level of prices has increased by 72 per cent between 1938 and 1942. Eliminating influences exercised by the rise in prices, the real value of the transactions based on 1938 would be: 1938, 37,130 million pesos; 1939, 40,754 millions; 1940, 44,544 millions; 1941, 49,263 millions; and 1942, 49,838 millions. Up to 1941 a year-to-year increase in the amount of business was noted, whereas the 1942 volume has remained at approximately the same level as in 1941.

MONEY MARKET

According to the January issue of the Central Bank, "colocaciones" (employment or investment of moneys, loans, etc.) of the Central Bank increased

by 350·1 million pesos, of which 166·7 millions were effected in December alone. There was an increase of 231·6 millions in 1942 to a total of 1,950·5 millions by December 31. The increase includes discounts and loans to the public of 83·3 million pesos; loans to mortgage institutions and industries, 143·4 million pesos; loans and discounts to other undertakings and institutions (nitrate industry, Popular Credit Bank, Institute of Agricultural Economy, State Railways, to the Government through the National Savings Bank), 129·1 million pesos. Direct obligations of the Government and government departments were reduced by 8·4 million pesos and rediscounts to banks by 115·8 million pesos.

Total issues of currency increased by 200 millions more than "colocaciones", amounting to 431·4 million pesos, and at the end of 1942 totalled 2,190 million pesos.

Foreign funds acquired by the bank and shown in its balance sheet as "new reserve" and in part as acquisitions "for the account of third parties" accrue principally from taxes and other obligations of the foreign copper companies established in Chile, while a small part corresponds to a credit trade balance. The aforementioned report contains the following pertinent statement:

The present conditions of our market do not permit of the natural absorption of these currencies for the purpose of foreign payments; therefore, the Central Bank must acquire the balance for conversion into Chilean pesos. But, as these emissions do not correspond to the normal necessities of the internal market, they are wholly of an inorganic and inflationary character. If account is also taken that, amongst the investments of the Central Bank a series of credit operations appear, which do not correspond to the Institution, as not being in accordance with the principles which should govern the emissions of a monetary institution, it may be estimated, that, of the total increase of the Bank's obligations during the past year, nearly 300 millions of pesos, or rather more than two-thirds, have the character of absolutely inorganic emissions.

For the year 1943, according to very prudent estimates, and without exaggeration, it is seen probable that the Bank may have to acquire a considerably greater volume of excess foreign currency, perhaps three times that acquired last year. Although emissions on this account may possibly be partly compensated by a certain reduction in the rediscounts of the commercial banks which at the end of last year still remained at 258 million pesos, a relatively high figure, there still exists the danger of a perceptible accentuation of monetary inflation, unless the Government takes some steps at least, to counter its effects.

The abnormal situation regarding the distribution of circulating currency has been maintained during the whole of the past year. During the year, with but few interruptions, the circulation increased constantly, so that by the end of December it had reached 2,200 million pesos; this compares with 1,743·9 million pesos at the end of 1941. At the close of 1942 the public held almost 80 per cent of the total currency in circulation as compared with 77·6 per cent at the end of 1941. Normally public requirements have been met with a quota of 60 to 65 per cent of the total circulation.

BANK CREDIT

Advances in Chilean currency by commercial banks during the past year have increased by slightly more than 10 per cent over those of 1941, and at the end of the year amounted to 3,189·8 million pesos. Credit operations with the public show a slightly greater increase, of 14 per cent, and the total at the end of the year reached 2,997·4 million pesos. Total deposits in Chilean currency rose by 15 per cent and amounted to 2,776·6 million pesos.

Total credits granted in the country by all banking institutions amounted to 6,401 million pesos as compared with 5,564 million pesos in 1941; this indicates an increase of 15 per cent. Since the price level rose in 1942 by more than 30 per cent, it is apparent that credit has been restricted rather than expanded.

PUBLIC FINANCE

Ordinary receipts in 1942 amounted to 2,953·8 million pesos, an increase of 18 per cent over the figure for the previous year. Expenditures totalled 3,052

million pesos, an increase of 10·5 per cent as compared with 1941. The deficit was 98·2 million pesos. The deficit brought forward from 1941, amounting to 385·3 million pesos, brings the total to 483·5 million pesos. Overdrafts and pending expenses increase this amount by an additional 190 million pesos, so that the total deficit at the end of 1942 amounted to 673·5 million pesos.

Direct and indirect taxes resulted in receipts of 2,083·3 million pesos as compared with 1,928·7 millions in 1941. Import and export taxes fell from 689 million pesos in 1941 to 554·8 millions. On the other hand, other duties and direct and indirect taxes increased from 1,239·7 million pesos in 1941 to 1,528·5 millions.

Ordinary receipts for 1943 have been estimated at 3,185·7 million pesos, and ordinary expenditure at 3,185·6 million pesos.

UNITED KINGDOM PURCHASES OF FRUIT AND VEGETABLE PRODUCTS IN 1942

W. B. GORNALL, FRUIT TRADE COMMISSIONER

III

ONIONS

As a result of the small and successful shipment of fresh onions from British Columbia to the United Kingdom last season, the Ministry of Food renewed the contract to cover a much larger quantity—3,000 long tons—for delivery during September-October, 1942. Negotiations were opened at a sufficiently early date to permit of the onions being produced independently of the crop for home consumption, and a quotation covering 2,000 short tons at \$60 per short ton in jute bags f.o.b. Montreal was readily accepted with a request to step up production to 3,000 long tons. Subsequent crop conditions in British Columbia indicated that 3,000 long tons and more would become available for shipment to the United Kingdom.

The shortage of jute made it difficult to obtain the necessary number of bags, and the alternative pack in wooden crates, each of 100 pounds net, at an increased price of \$69.50 per short ton was accepted and confirmed by the Ministry of Food. The contract involved 67,200 crates valued at \$233,520 f.o.b. Montreal.

Towards the middle of June an offer of 1,000 short tons of Ontario onions in crates at \$62 per ton f.o.b. Montreal was submitted to the Ministry, but, with the prospective shipping stringency and the decision to reduce the total tonnage of the import food program, no further purchase of fresh onions could be considered, and an attempt was made to obtain release from the commitments already undertaken in British Columbia. The Ministry suggested that the onions should be sold locally or exported to the United States, but these outlets were unsatisfactory owing to ample local supplies. As resale at contract price was found impossible, it was suggested that the onions should be dehydrated and the crates disposed of for some other use. The plan to dehydrate was finally agreed to, the price being based on the cost of the fresh onions (the price to the grower under the cancelled contract) plus dehydration and packing costs.

The cost of the dehydrated onions f.o.b. Vernon, B.C., is estimated at \$1,277, or £274 per short ton as compared with £180 per long ton for the Egyptian product landed in the United Kingdom.

Under normal conditions the Ministry of Food would not have purchased dehydrated onions in Canada, owing to a much cheaper product being obtainable.

in Egypt, but having contracted to purchase up to 3,000 tons of fresh onions, and the growers in British Columbia having increased acreage accordingly, the Ministry of Food had no option but to accept the dehydrated product at the contract price for fresh onions, less packing costs and rail charges to Montreal, and to add thereto the dehydration and packaging costs. Under these conditions a high price was unavoidable.

It is understood that shipping space was available for the fresh product when it was ready for shipment, and it might have been better had advantage of this been taken. Dehydration work could have been saved and the plant employed in the drying of more essential products, the Ministry of Food would have handled a fresh product for which there was plenty of demand at a fair margin of profit, and the shipping space used would have been negligible as compared with the total saving aimed at. Instead the Ministry is holding an appreciable tonnage of a dehydrated product costing over £100 per ton more than the same type of product from the principal source of supply.

Almost immediately following the completion of negotiations covering the purchase of onions in British Columbia, the Ministry of Food changed its method of dealing with Canadian suppliers, and all communications to and from Canada were channelled through the Ottawa office of the British Food Mission. Thus no part was taken by the Trade Commissioner in the later negotiations concerned with dehydration.

DEHYDRATED VEGETABLES

At the close of 1941 the prospects for any appreciable development in the movement of dehydrated vegetables from Canada to the United Kingdom or in the manufacture in Canada for account of the Ministry of Food did not appear promising. The position of dehydrated vegetables, however, in the wartime food production program has since passed from comparative insignificance to first rank importance. The Ministry of Food organized a special branch to develop dehydration in the United Kingdom, and by the close of 1942 had completed experimental work on commercial lines to determine the best operational method for large-scale production.

In Canada facilities were available for production on a considerable scale, provided supplies of fresh vegetables and labour could be properly organized, and, in order to ascertain the extent to which these facilities could co-operate or would be required to assist in the production program, the Ministry of Food was approached through official channels in December, 1941. The reply was not encouraging; it indicated that the demand on Canada was likely to be negligible, and that it was the Ministry's intention to develop the dehydration of potatoes, carrots and cabbages in the United Kingdom on the largest possible scale at the earliest date in order to meet the full requirements of the Army, Navy and Air Force, and for emergency purposes.

Further efforts to have the policy of the Ministry of Food clarified substantiated the intention to make the United Kingdom as self-supporting as possible, and indicated that imports from Canada would not be required except perhaps very limited quantities for ships' stores and for shipment to the Services overseas.

The British War Office, however, had been long interested in Canadian dehydrated vegetables and imported about 100 long tons during the latter part of 1941, the contract being completed early in 1942. The War Office was therefore approached at the earliest convenient date in regard to their requirements for 1942-43, and the reply, somewhat delayed, requested quotations and full information covering approximately 2,100 long tons.

Quantities and prices, together with full information covering packing, packages, etc., were obtained from Ottawa and submitted to the War Office with the least possible delay. The quantities offered comprised 1,500 tons of potatoes, with 100 tons each of carrots, cabbages and swede turnips, all valued at approximately \$1,500,000 f.o.b. Montreal.

At this time certain plans were put into effect whereby the Ministry of Food became responsible for the purchase of all imported foodstuffs for whatever purpose, and the future requirements of the War Office were to be provided out of bulk purchases by the Ministry. Since the Ministry had channelled all negotiations for the purchase of Canadian products through the Ottawa office of the British Food Mission, further discussions were impossible, and negotiations were eventually completed in Ottawa.

The United Kingdom, however, has not been able to provide mixed dehydrated vegetables (Julienne) for ships' stores, and there has been a continuance of trade in this product from Canada.

In 1941 about 5 tons of Julienne for this purpose were imported under licence, and it was expected that no further licences would be issued, but, after several discussions with the Ministry of Food during the early months of 1942, a licence covering 10 tons was eventually granted. These goods have been shipped, and a further licence has been issued for the same tonnage for delivery early in 1943.

The year 1942 has thus closed with the industry in Canada devoting a large part of its output capacity to the account of the Ministry of Food. With regard to the immediate future, it is difficult to estimate requirements, but it is most likely that the maximum production of Canada and the United Kingdom will be required to meet demands from the Services at home and abroad, for emergency purposes, and to provide stocks for use in the initial stages of rehabilitation in Europe.

FUTURE PROSPECTS

The resumption of export trade between Canada and the United Kingdom in any appreciable degree is not expected until the European section of the war is ended and the demand for available shipping space, to meet war requirements elsewhere and for the relief of European countries, is at least partly removed. The degree of resumption will be dependent upon many factors, and from present indications it is apparent that progress will be gradual and subject to control.

At present considerable thought is being given in political and industrial circles to post-war international trade and to the means whereby exchange of goods between one country and another can be expedited. Ideas expressed appear to be converging towards a common understanding, and there are some grounds for assuming that post-war developments will be on an important and progressive scale, introducing new ideas and meaning into international trade.

In order to appreciate fully the conditions most likely to prevail for some time after the close of hostilities, it is essential to review briefly the more important pre-war factors and the wartime conditions governing the import trade of the United Kingdom.

PRE-WAR CONDITIONS

The United Kingdom, by development of industry, investments overseas, loans, shipping and other services, established a world-wide export market and became a great creditor nation. This necessitated the more or less free import of foodstuffs, raw materials, etc. in order that payment for exports, earnings on investments and loans, and for services rendered could be readily collected.

In 1938 the United Kingdom imported goods to the value of £850,000,000, including £418,000,000 for foodstuffs and tobacco, £315,000,000 for raw materials and semi-manufactured goods, £45,000,000 for oil, and £72,000,000 for finished products. These imports were paid for by (a) the value of exports plus (b) income derived from investments and loans abroad, shipping freights, and commissions on various types of business. The relative values of (a) and (b) are not known for certain, but the value of exports is estimated at between 56 and 60 per cent of the total value of imports. Thus the means of payment under (b), known as "invisible trade items", were of the greatest importance, comprising at least 40 per cent of the trading account and being a very material factor in effecting the balance of payments.

WARTIME CONDITIONS

Under the earlier stress of war, the United Kingdom had to dispose of a large proportion of her marketable investments overseas to pay for imports, owing to the almost complete stoppage of export trade and to demand for payment in cash. The war has also appreciably enhanced the value of imports (foodstuffs and munitions).

With exchange of goods and other forms of payment impossible, imports essential to the war effort and chiefly derived from the United States and Canada, began to move freely into the United Kingdom without charge or under any long- or short-term credit agreements. In return for this free movement of goods and services, the United Kingdom provides reciprocal action in several ways, including a similar free movement of goods and shipping services to Russia, supplies and services of various kinds to American and Canadian Forces stationed in and around the British Isles, etc.

POST-WAR CONDITIONS

It is not to be expected that the free movement of foodstuffs and other goods to the United Kingdom will continue for any length of time after hostilities cease, and arrangements will have to be made to enable payment and a balance of trade.

Wartime agricultural policy in the United Kingdom is likely to be continued in fairly ample measure, production maintained at the highest possible level, and wages and prices regulated to retain an adequate supply of suitable labour.

General domestic policy will be directed towards the prevention of large-scale unemployment, avoidance of deflation or inflation, maintenance of reasonable wage rates and control of maximum prices, reduction in taxation at the earliest possible date, with special emphasis on the development of export trade as the principal method of payment for imports. Such a policy will undoubtedly result in the rapid accumulation of large spending power and, with the urge to save greatly lessened, a heavy demand for consumption goods will inevitably follow.

Agriculture, while it may be developed to the limit of the country's capacity, will be unable to provide the minimum requirements of a diet based on the wartime rationing schedule, and imports of essential supplies will be necessary on a fairly large scale, and reconstruction, housing, and export trade in particular, will call for large imports of raw materials.

On the other hand, the United Kingdom will possess a greatly reduced income from overseas investments, shipping services, etc., and export trade will not be fully restored. Under these conditions, control of imports will be necessary to conserve available currencies, assure delivery of the more essential foodstuffs and raw materials and enable a balance of payments to be effected.

TRADE OF TRINIDAD IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

I

Port of Spain, March 8, 1943.—The total value of Trinidad's trade in 1941, \$115,289,079, was 12 per cent higher than the value for 1940, \$102,931,949, which in turn was 19·4 per cent higher than the figure for 1939.

The value of domestic exports in 1941, \$14,774,876, was much lower than the previous year's figure of \$22,962,808 but, with a heavy trade in ships' stores and bunkers, and re-exports, the Colony's total export trade, valued at \$47,295,874, showed an increase of 2·3 per cent over the total value for 1941 of \$46,192,077.

The upward movement in general trade was mainly the result of a 27·4 per cent increase in the value of imports, which, exclusive of transshipments, was \$57,485,563 as compared with \$45,092,068 in 1940.

The value of transshipments, \$5,253,821, was slightly less than the previous year's figure of \$5,823,902.

DOMESTIC EXPORTS

Sugar exports, amounting to 108,312 tons (\$6,705,424), compared very favourably with shipments in 1940 amounting to 77,315 tons (\$4,308,876). Values of molasses and rum exports, \$150,829 and \$156,855, were also higher than the 1940 values of \$55,475 and \$87,717 respectively. No support was obtained from other domestic exports. Exports of raw cocoa, totalling 18,787,104 pounds (\$1,749,836), were much below the previous year's total of 24,858,838 pounds (\$2,289,605); copra dropped to 1,863,232 pounds (\$41,495) from 15,569,344 pounds (\$276,768) in 1940, as did also grapefruit exports, which were valued at \$76,394 as compared with \$574,934 in the preceding year.

Of the domestic exports valued at \$14,774,876, the United Kingdom took 34·9 per cent; Canada, 29·6 per cent; the United States, 12·3 per cent; and the British West Indies, 7·3 per cent. This was a marked change from 1940, when of the domestic exports valued at \$22,962,808 the United Kingdom purchased 52·5 per cent and Canada 11·8 per cent.

IMPORTS

In general the volume of manufactured imports remained about the same in 1941 as in 1940, but increased prices brought the total value of imports for 1941 to \$39,323,068 from the previous year's level of \$31,374,899.

A greatly expanded working population employed on the United States base construction work, increasing numbers of military and navy personnel, and a tendency on the part of the coloured working people to improve their standard of living raised imports of foodstuffs both in volume and value, the total value for 1941 being \$14,560,072 as compared with \$10,954,921 in 1940. The value of imports of raw materials rose to \$3,528,211 as against \$2,718,857 in 1940.

The increases in these three main classifications, together with certain minor additions, resulted in a total import value for 1941 of \$57,485,563, or \$12,393,495 over the total value for 1940.

IMPORTS FROM THE UNITED KINGDOM

The following table shows values of imports by main groups from the United Kingdom in 1941 and 1940:—

Trinidad's Imports from the United Kingdom by Main Groups

	1941	1940	Inc. or Dec. in 1941
	British West Indies		Dollars
Total value	11,873,266	14,351,345	— 2,478,079
Manufactured products.	10,733,474	12,992,191	— 2,258,717
Foodstuffs.	881,949	1,220,717	— 338,768
Raw materials.	251,212	134,114	+ 117,098

The decline in imports of manufactured products from the United Kingdom was largely in iron and steel products, cotton piece-goods, wearing apparel, boots and shoes, laundry soap, motor cars, and paper goods.

Except for beer, whisky, and cocoa preparations, supplies of foodstuffs from the United Kingdom dropped in 1941.

IMPORTS FROM THE UNITED STATES

Imports by main groups from the United States in 1941 and 1940 were as follows:—

Trinidad's Imports from the United States by Main Groups

	1941 British	1940 West Indies	Inc. in 1941 Dollars
Total value.. . . .	14,298,326	12,591,640	1,706,686
Manufactured products.. . . .	12,026,965	10,847,324	1,179,641
Foodstuffs.. . . .	635,127	616,897	18,230
Raw materials.. . . .	1,603,576	1,100,932	502,544

Leaving the supplying of foodstuffs, textiles and wearing apparel to Canada, the United States took up the slack in the Trinidad market for metal goods resulting from reduced supplies from the United Kingdom. Thus there were heavy increases in imports from the United States of iron and steel goods, non-ferrous metal products, and hardware generally. There were also increases in imports of electrical goods and machinery and of railway equipment.

Lubrication oils, greases, and fertilizers were the main items of non-metallic manufacture showing pronounced upward movement of imports.

There was a decline in imports of many food products, but large increases in those of pickled pork and cigarettes offset the general trend sufficiently to bring the total value of food imports slightly above that for the previous year.

TRADE WITH CANADA

Over the period between the coming into force of the Canada-British West Indies treaty of 1925 and the outbreak of the present war, the annual value of imports into Trinidad from Canada was between \$2 million and \$4 million. They reached their lowest point in the depression years when, as in 1934, Canada obtained only 11 per cent of the total import trade as compared with 22·53 per cent in 1925. By 1938, although the general volume of imports into Trinidad had risen considerably, Canada's share of that trade was still small, amounting to only 12·15 per cent of the total.

It was a trade in which Canada continued year after year to supply the flour, fish and vegetables that, with rice and pickled meats, constituted the main items of diet of the coloured working-class. To this trade was added gradually certain manufactured products such as motor cars, steel office equipment, nails and sundry steel products, wearing apparel, proprietary medicines and paper products. The bulk of the manufactured imports, however, were being obtained from the United Kingdom. From that source also came the cheap cotton piece-goods, boots and shoes, much of the wearing apparel, machinery, hardware, and industrial equipment. From the United States came a large part of the oilfield equipment, tools, hardware, pitch pine, barrel staves, and certain foodstuffs such as pickled pork. The three countries—Canada, United Kingdom, and United States—together supplied most of Trinidad's pre-war import requirements.

On the outbreak of war in 1939, there was an immediate change in Canada's trade position, which was favoured by an excellent shipping service, less restrictive measures than in the United Kingdom and a "softer" currency than that of the United States.

Under these conditions imports from Canada have almost doubled each year, until for the year 1941 the value of these was 327 per cent greater than for 1938 and 86 per cent higher than for 1940.

It is not surprising, in the course of such rapid trade development, that Canada became the main source of supply for the Colony, being credited with 31.43 per cent of the total import trade in 1941 as compared with 20.65 per cent for the United Kingdom and 24.87 per cent for the United States. In 1940 the percentage distribution of trade had been: Canada, 21.35 per cent; the United Kingdom, 31.83 per cent; and the United States, 27.93 per cent.

In this trade diversion the volume of manufactured imports from Canada expanded rapidly, until in 1941 their value greatly exceeded that of foodstuffs, as shown by the following comparative table of imports from Canada by main groups in 1941 and 1940:—

Trinidad's Imports from Canada by Main Groups

	1940	1941	Inc. in 1941
	British	West Indies	Dollars
Total value	9,626,638	18,067,184	8,440,546
Manufactured products	4,561,080	10,003,282	5,442,202
Foodstuffs	4,252,459	6,996,895	2,744,436
Raw materials	812,393	1,066,977	254,584

To a moderate degree Canada participated with the United States in the increased demand for metal products from North America, but the outstanding increases in imports of manufactured products from Canada in 1941 were in textiles and in wearing apparel such as leather boots and shoes, hats, and shirts. These increases were supported by expanding imports of proprietary medicines, paints, lubricating oils, and barytes, the last-mentioned product arriving in 1941 in substantial quantities from Canada for the first time. Canada's established trade in motor vehicles and related products also continued to expand, as did the trade in paper products with the exception of newsprint, which declined.

There was a 64 per cent increase in the value of foodstuff imports from Canada, major increases being recorded for flour, feedstuffs, fish, and vegetables. Beer imports were up as were also these of unmanufactured tobacco, but the outstanding increase was in condensed milk, imports being valued at \$1,221,083 as compared with \$345,697 in 1940.

It is not too early to suggest that Canada should give serious consideration to her post-war trade position in the Caribbean area, especially in regard to her future relations with the British West Indian colonies. Relationships based merely on tariff adjustments appear to be fast becoming a thing of the past, especially if the full implications of the Atlantic charter are considered.

Trade in the future, therefore, is likely to be maintained only by rendering the utmost in efficient service both in production and supply and by assuming, along with Great Britain and the United States, greater responsibility for West Indian welfare development.

Imports of Interest to Canada

Following are details of 1941 imports into Trinidad of interest to Canadian shippers, of which supplies from Canada were valued at \$5,000 or over, comparative values for 1940 being shown within parentheses:—

FOOD AND FEEDSTUFFS

The total value of imports into Trinidad in 1941 of food and feedstuffs was \$14,560,070 as compared with \$10,954,921 in 1940. On a value basis these imports were distributed among chief supplying countries as follows: Canada, \$6,996,895 (\$4,252,459); Argentina, \$1,694,996 (\$686,437); India, \$1,543,880

(\$958,747); Great Britain, \$881,949 (\$1,220,717); United States, \$635,127 (\$616,897).

Details of imports under this heading are as follows:—

Corn.—Total, 2,607 cwt., \$6,872 (9,636 cwt., \$18,684): Canada, 2,005 cwt., \$5,279 (35 cwt., \$92).

Oats.—Total, 52,137 cwt., \$139,804 (33,418 cwt., \$84,481): Canada, 52,117 cwt., \$139,750 (31,729 cwt., \$77,570).

Feedstuffs, other Sorts.—Total, 1,536 cwt., \$5,574 (996 cwt., \$4,815): Canada, 1,507 cwt., \$5,253 (783 cwt., \$2,956).

Flour.—Total, 772,730 cwt., \$2,396,369 (646,726 cwt., \$2,005,418): Canada, 772,707 cwt., \$2,396,302 (645,342 cwt., \$2,001,247).

Corrmeal.—Total, 12,699 cwt., \$49,126 (11,145 cwt., \$35,151): Canada, 11,799 cwt., \$46,148 (9,387 cwt., \$30,582).

Manufactured Cereals, n.o.p.—Total, 10,705 cwt., \$96,575 (4,748 cwt., \$61,575): Canada, 9,792 cwt., \$78,445 (3,722 cwt., \$41,771).

Commercial Mixed Feedstuffs (Grain).—Total, 1,278 tons, \$82,890 (729 tons, \$44,835): Canada, 1,278 tons, \$82,890 (723 tons, \$44,501).

Commercial Mixed Feedstuffs (Meals).—Total, 873 tons, \$65,388 (536 tons, \$38,516): Canada, 870 tons, \$65,133 (521 tons \$37,233).

Pickled and Salted Pork.—Total, 28,265 cwt., \$316,645 (18,036 cwt., \$174,515): United States, \$179,146; Argentina, \$41,487; Canada, 9,132 cwt., \$92,067 (6,347 cwt., \$55,350).

Bacon and Ham.—Total, 15,299 cwt., \$367,057 (8,579 cwt., \$186,560): Brazil, \$65,229; Argentina, \$211,893; Canada, 2,381 cwt., \$89,935 (813 cwt., \$25,578).

Canned Tongue, Bacon, Ham, etc.—Total, 11,617 cwt., \$325,919 (3,726 cwt., \$111,187): Argentina, \$260,446; Brazil, \$27,380; Canada, 342 cwt., \$12,965 (181 cwt., \$8,223).

Butter.—Total, 18,171 cwt., \$639,318 (12,555 cwt., \$438,764): Argentina, \$341,324; Australia, \$128,670; Brazil, \$60,054; Canada, 780 cwt., \$34,033 (1,702 cwt., \$64,250).

Cheese.—Total, 6,831 cwt., \$184,287 (6,457 cwt., \$157,430): Canada, 6,251 cwt., \$166,116 (6,155 cwt., \$147,595).

Eggs in Shell.—Total, 21,933 great hundreds, \$98,328 (6,394 great hundreds, \$25,962): Canada, 21,307 great hundreds, \$97,390 (6,183 great hundreds, \$25,487).

Eggs not in Shell.—Total, 400 cwt., \$13,192 (252 cwt., \$7,222): Canada, 400 cwt., \$13,192 (181 cwt., \$5,831).

Milk, Condensed or Otherwise Preserved (not less than 8 Per Cent Butter-fat Content).—Total, 73,167 cwt., \$1,227,136 (61,873 cwt., \$998,426): Canada, 73,022 cwt., \$1,221,083 (22,320 cwt., \$345,697).

Apples.—Total, 9,072 cwt., \$63,355 (7,349 cwt., \$43,722): Canada, 9,068 cwt., \$63,306 (7,127 cwt., \$40,800).

Onions.—Total, 67,917 bus., \$196,411 (61,859 bus., \$106,669): Argentina, \$71,274; Portugal, \$48,110; Canada, 25,365 bus., \$70,464 (24,362 bus., \$39,793).

Potatoes.—Total, 120,691 cwt., \$326,305 (83,918 cwt., \$213,002): Canada, 117,558 cwt., \$319,517 (79,346 cwt., \$197,804).

Vegetables, Other Sorts.—Total, 30,631 cwt., \$85,254 (40,947 cwt., \$91,171): British West Indies, \$26,795; Canada, 7,597 cwt., \$44,421 (4,677 cwt., \$22,608).

Beer.—Total, 6,822 bbl. (of 36 gal.) \$370,201 (4,655 bbl., \$230,059): Great Britain, \$156,449; Canada, 3,846 bbl., \$208,570 (1,985 bbl., \$100,299).

Cocoa Confectionery.—Total, 1,259 cwt., \$54,968 (1,279 cwt., \$49,626): Great Britain, \$30,110; Canada, 473 cwt., \$16,340 (379 cwt., \$14,593).

Cocoa, Other Sorts.—Total, 2,364 cwt., \$48,983 (1,599 cwt., \$32,187): Great Britain, \$37,672; Canada, 538 cwt., \$6,477 (385 cwt., \$4,524).

Coffee, Kiln Dried, Roasted or Ground.—Total, 129 cwt., \$5,485 (115 cwt., \$4,383): Canada, 127 cwt., \$5,183 (115 cwt., \$4,383).

Fruit Juice, Other than Concentrated Lime, Orange and Grapefruit Juices.—Total, 63,905 gal., \$10,984 (7,279 gal., \$8,827): Canada, 61,619 gal., \$9,366 (3,256 gal., \$3,820).

Spirits, Other than Brandy, Rum, Whisky and Gin (Ready-mixed Cocktails, etc.).—Total, 3,013 liquid gal., \$39,450 (1,170 gal., \$17,942): Great Britain, \$19,646; Canada, 844 gal., \$15,820 (77 gal., \$1,348).

Biscuits, Unsweetened, in Tins.—Total, 291 cwt., \$8,841 (413 cwt., \$13,342): Canada, 218 cwt., \$6,063 (222 cwt., \$5,821).

Confectionery, n.o.p.—Total, 1,255 cwt., \$36,698 (2,202 cwt., \$55,875): Great Britain, \$13,243; Canada, 758 cwt., \$22,736 (763 cwt., \$21,797).

Codfish, Cured or Salted.—Total, 43,466 cwt., \$587,989 (46,981 cwt., \$412,463): Newfoundland, \$88,920; Canada, 34,826 cwt., \$459,069 (34,052 cwt., \$318,557).

Other Fish, Cured or Salted.—Total, 6,989 cwt., \$63,710 (5,362 cwt., \$43,418): Canada, 6,072 cwt., \$45,792 (4,784 cwt., \$31,577).

Canned Fish.—Total, 16,377 cwt., \$349,076 (10,352 cwt., \$186,602): United States, \$27,410; Canada, 15,147 cwt., \$310,295 (8,862 cwt., \$144,569).

Canned Fruit.—Total, 2,761 cwt., \$44,647 (1,731 cwt., \$27,389): Canada, 1,652 cwt., \$28,001 (1,192 cwt., \$18,844).

Jams, Marmalade and Jellies.—Total, 1,503 cwt., \$26,203 (2,137 cwt., \$36,025): Canada, 715 cwt., \$13,511 (551 cwt., \$11,073).

Lard.—Total, 507 cwt., \$6,073 (1,852 cwt., \$21,634): Canada, 506 cwt., \$6,054 (1,733 cwt., \$20,197).

Cotton-seed Oil.—Total, 361 cwt., \$6,507 (20 cwt., \$283); all from Canada.

Pickles and Vegetables in Vinegar.—Total, 3,838 gal., \$10,239 (4,733 gal., \$13,977): Canada, 3,431 gal., \$8,806 (2,599 gal., \$7,151).

Pickles, Sauces and Condiments, n.o.p.—Total, 1,075 cwt., \$23,366 (1,430 cwt., \$25,771): Canada, 615 cwt., \$16,559 (481 cwt., \$11,694).

Icing Sugar.—Total, 1,515 cwt., \$10,213 (1,275 cwt., \$9,195): Canada, 1,513 cwt., \$10,183 (1,143 cwt., \$8,211).

Syrup, Other than Molasses.—Total, 1,109 cwt., \$8,599 (922 cwt., \$5,864): Canada, 790 cwt., \$6,337 (126 cwt., \$755).

Canned Vegetables.—Total, 6,570 cwt., \$91,895 (1,076 cwt., \$42,458): Canada, 6,226 cwt., \$80,337 (543 cwt., \$30,686).

Yeast.—Total, 2,037 cwt., \$44,136 (1,517 cwt., \$37,949): Canada, 2,036 cwt., \$43,931 (1,430 cwt., \$32,783).

Provisions, n.o.p.—Total, \$497,694 (\$198,448): Great Britain, \$124,929; United States, \$63,883; Canada, \$261,878 (\$57,071).

Tobacco, Unmanufactured Leaf containing less than 25 Per Cent Moisture.—Total 945,143 lb., \$300,702 (756,349 lb., \$236,845): United States, \$43,178; Canada, 737,371 lb., \$249,658 (353,253 lb., \$100,326).

RAW MATERIALS AND ARTICLES MAINLY UNMANUFACTURED

Total imports into Trinidad in 1941 of raw materials and articles mainly unmanufactured were valued at \$3,528,211 as against \$2,718,857 in 1940, the principal supplying countries being as follows: United States, \$1,603,576 (\$1,100,932); Canada, \$1,066,977 (\$812,393); Great Britain, \$251,212 (\$134,114).

Details of imports under this heading are as follows:—

Douglas Fir, Undressed.—Total, 10,667 loads, \$421,397 (8,425 loads, \$296,948): Canada, 10,590 loads, \$417,122 (6,300 loads, \$221,793).

Softwoods (not including Pitch Pine), Undressed, n.o.p.—Total, 320 loads, \$14,150 (274 loads, \$10,237): Canada, 308 loads, \$13,597 (233 loads, \$9,846).

Cedar, Planed or Dressed.—Total, 5,693 loads, \$195,710 (6,452 loads, \$218,702); all from Canada.

Douglas Fir, Planed or Dressed.—Total, 6,010 loads, \$215,987 (5,251 loads, \$175,398): Canada, 6,010 loads, \$215,987 (5,097 loads, \$168,133).

Softwoods (not including Pitch Pine), Dressed, n.o.p.—Total, 1,669 loads, \$69,960 (1,383 loads, \$52,802): Canada, 1,667 loads, \$69,935 (1,375 loads, \$52,571).

Shingles.—Total number, 1,566,520. \$29,803 (532,800, \$6,984): Canada, 1,318,520. \$27,074 (522,800, \$6,889).

White Oak Shooks, Staves and Headings.—Total number, 184,366, \$41,788 (111,116, \$78,248): United States, \$22,970 (\$76,382); Canada, 94,313, \$18,818 (2,113, \$505).

Oak Shooks, Staves and Headings, n.o.p.—Total number, 288,266, \$22,218 (11,000, \$289): Canada, 288,210, \$22,099 (11,000, \$289).

Shooks, Staves and Headings, n.o.p.—Total number, 3,848,386, \$125,808 (2,148,095, \$181,594): United States, \$88,826; Canada, 526,973, \$33,642 (411,264, \$99,934).

Linseed Oil.—Total, 223 tons, \$53,089 (261 tons, \$66,377): Canada, 173 tons, \$39,862 (105 tons, \$23,742).

MAXIMUM PRICES FOR IMPORTED POTATOES IN THE UNITED STATES

With reference to the report entitled "United States Seed Potato Prices Frozen," which was published in last week's issue of the *Commercial Intelligence Journal*, Mr. L. H. Ausman, Assistant Trade Commissioner at New York, writes under date March 30 that on March 27 maximum prices for imported white table potatoes were set as the maximum delivered price for the most closely similar domestic white potatoes at the same terminal market or other wholesale place of sale. The small quantities of table potatoes now imported come principally from Mexico and Canada.

UNITED STATES SEAFOOD PRODUCTION REQUIREMENTS

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, March 11, 1943.—The United States Food Administrator has asked for a production of 7,000,000,000 pounds of seafood of all kinds in 1943; this is 2,000,000,000 pounds more than the highest output in any previous year. The fishing industry, on the other hand, is of the opinion that, unless many of the handicaps under which it is operating are removed or eased, production will amount to no more than 3,650,000,000 pounds. This is slightly under last year's output of 3,700,000,000 pounds and approximately 1,200,000,000 pounds less than in 1941, the reduction in the latter year being due in large measure to government acquisition of 50 per cent of the fishing boats, the scarcity of materials and the reduction in manpower in the draft and to war industries.

The Fisheries Co-ordinator, working in conjunction with various government departments, is endeavouring to increase production by several means, including the return of some of the boats to the fishing industry, the granting of high priorities on essential materials and equipment, and the reservation of labour, not only on the producing side but also in connection with the distribution of fish.

Among other steps taken to increase the fish supply is the issue of instructions to boat captains to bring in the whole of their catch, including the so-called "trash" fish. Some of these fish have food value and have been given new names to make them more acceptable to the consumer.

CONCENTRATION OF ALASKA SALMON INDUSTRY

On March 8 the Fisheries Co-ordinator issued an order by which the canning of this year's catch of Alaska salmon is concentrated in 74 of the largest and most modern plants, instead of being shared by the 120 formerly operating. The order is said to have been made necessary by the fact that the armed forces have taken over a large percentage of the tenders and power scows used in Alaskan waters, and also because it is expected that no more than 50 or 60 per cent of the usual supply of labour will be available in 1943.

Normally some 350 tenders and scows are used in the industry, which also required more than 20,000 workers for a period of four to seven months. More than half of this labour force has been recruited in the Pacific Coast area of the United States and the remainder from Alaskan residents. Other war work, the draft and transportation difficulties have considerably reduced the labour supply.

It is expected that, despite these unfavourable circumstances, there will be an increase in the pack from 5,300,000 cases last year to 5,500,000 cases in 1943 as a result of the higher standard of efficiency ensured by the concentration plan. Although Alaska accounts for about 80 per cent of the United States supply of canned salmon, under current government regulations, 60 per cent of each packer's production is reserved to meet the requirements of the armed forces, lend-lease and other agencies.

SECOND OFFICIAL ESTIMATE OF ARGENTINE CORN ACREAGE, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports under date of March 15, 1943, that the Argentine Department of Agriculture has issued a second estimate of the corn acreage for 1942-43. According to this report, the area sown to corn is 10,003,500 acres as compared with the first estimate for the current season of 10,127,000 acres and 12,350,000 acres in 1941-42, a reduction of 19 per cent as compared with the figure for the previous year.

The drought, which had lasted from three to five months, depending on the zone, was broken on March 1; rainfall was general over March 2 and 3 throughout the Republic. There was another general rainfall on March 9 and 10.

While these rains will greatly improve the pastures and enable farmers to do their ploughing for the winter crops, they were too late to be of benefit to the corn crop, which is almost a complete failure this season.

SHORTAGES IN PALESTINE

From the London *Economist*

Since the beginning of 1942 an apparent change for the worse has taken place in the food situation of Palestine's urban population. In the last six months, retail prices have risen, according to government indices, by 17 per cent in the Arab markets and by 13 per cent in the Jewish ones, and in September they were 60 and 63 per cent respectively higher than in September, 1941, and 171 and 145 per cent respectively above the average of 1937. These figures do not, however, tell the whole story, for they are partly based on maximum prices fixed by local authorities for bread, meat, fish, eggs, poultry and so on, although these prices are not strictly adhered to. Nor do the indices reflect the deterioration in the quality of many commodities. Palestine standard flour now contains 15 per cent of barley and 15 per cent of millet, and wheat flour is only issued upon production of a medical certificate; only unrefined sugar is in use and so on. Moreover, many staple articles of local diet are actually off the market—for instance, rice, potatoes and groats—or are sold in limited quantities—for instance, bread (300 grs. per person daily—100 grs. = $3\frac{1}{2}$ oz. approximately), sugar (600 grs. per person monthly), eggs (1 egg per person weekly), butter, milk and many other foods, while meat purchases are limited to four days a week. At the same time, black markets in all kinds of food continue to flourish.

These trends, typical of wartime conditions, have not as yet been sufficiently countered by government measures. A full rationing scheme, as envisaged at first, was never put into practice, the sugar ration being the sole survivor of it. The attempts to put a brake on soaring wholesale prices, by centralizing the imports in the hands of government agencies, did not have the desired effect, and is now being partly replaced by a system of public tenders, through which government stocks are offered for sale and import licences are granted on condition that the retail prices are fixed in advance. No use has been made of the consumers' co-operative societies, now embracing about a tenth of total urban population, to make the control of trade more effective. The purchase of local cereal crops by a government agency has proved a failure, as in most districts the yield has been grossly under-assessed, the balance being kept by the peasants for their own consumption or sold to Syria and to local speculators, while the Government was forced to allocate shipping space again for wheat imports from Canada. The shortage of grain and of imported fodder has caused

a reduction in local poultry stocks, and little has been done to encourage potato and vegetable growing. On November 1, 1942, a point rationing system was introduced, comprising bread, flour, macaroni, meat, fish, poultry, butter, fats and oils, eggs, cheese, sugar, jam, cocoa, tea and coffee, as well as meals consumed in establishments, but up to now its effects have been negligible. This is small wonder, as the scheme covers neither the rural areas nor most of the Arab cities, and is confined in practice to the Jewish urban sector. Moreover, it does not imply any guarantee of the availability of the goods included, with the exception of sugar. But the chief reason is that only a few families can afford to buy at current prices even the limited quantities they are entitled to under the scheme.

Under these circumstances, a rise of wages has become inevitable, the more so as the local wage-level had been previously depressed by the prolonged stagnation during the disturbances and the first year of the war. According to an agreement reached early this year, allowances are given up to 80 per cent of the war increase in the Jewish Agency's cost-of-living index, but only on the first £P8·5 of salary. No exact figures are available about the wage increases in Arab industry, but in the Jewish sector the present allowance is at the rate of 85 per cent. A few firms are granting more, but many industries and most commercial undertakings, banks, services and so on are making the cost-of-living allowance at the rate of about 60 per cent. During recent months many strikes have broken out, the employees demanding an increase in basic wages, apart from the cost-of-living allowances. A Commission has been appointed by the Government to inquire into the subsistence level of the unskilled worker at the present time and to make recommendations on the method of determining the standard wage of workers and the computation of the scale of cost-of-living allowances; but simultaneously it was announced that no orders will be placed with any manufacturer granting a wage increase without authorization by the War Supply Board.

As another step to counter further price increases, additional taxation has recently been announced in an address given by the Financial Secretary. The proceeds of these taxes are to be devoted chiefly to maintaining the present price of bread by allowing the Government to subsidize flour to the extent of £P1·5 million during the current fiscal year.

TARIFF CHANGES AND TRADE REGULATIONS

United States

INVOICING OF WESTERN WHITE SPRUCE MODIFIED

United States Treasury Decision 50833, published on March 25, 1943, states that, in addition to all other information required by law and regulation, there shall be included on all customs invoices of Western white spruce lumber for which exemption from import tax is claimed a statement that the lumber is not Engelmann spruce lumber. The import tax in question is \$1.50 per 1,000 feet board measure. This Decision revokes a former one, No. 50006, published November 9, 1939, which required that invoices of Northern white pine and Norway pine as well as Western white spruce show that the lumber is not Engelmann spruce lumber.

IMPORTER'S AFFIDAVIT FOR DAIRY COWS NOT REQUIRED

United States Treasury Decision 50830, published on March 18, 1943, suspended operation of Article 484 of the Customs Regulations 1937 relating to dairy cows. The trade agreement of November 17, 1938, between Canada and

the United States reduced the duty on cows weighing 700 pounds or more each from 3 cents to $1\frac{1}{2}$ cent per pound, without quota limitations, if imported specially for dairy purposes, while other cattle of the same weight were subject to quota restrictions. Article 484, therefore, required an affidavit from the consignee that animals entered as dairy cows under this provision of the trade agreement were for dairy purposes and had been delivered to a place suitable for dairy operations. A change came about in consequence of a trade agreement between the United States and Mexico, signed December 23, 1942, and in operation since January 30, 1943. The Mexican agreement reduced the duty from 3 cents to $1\frac{1}{2}$ cent per pound on cattle of all weights except dairy cows weighing 700 pounds or more, without quota restrictions, until 30 days after the President of the United States has proclaimed the end of the abnormal situation with respect to cattle and meats. In view of the foregoing conditions arising out of these agreements, Treasury Decision 50830 states that the provisions of Article 484 of the 1937 Customs Regulations shall be inoperative with respect to cattle entered or withdrawn from warehouse for consumption on or after January 30, 1943, and before the effective date of the President's proclamation of the end of the emergency.

Mexico

PRICE CONTROL REGULATIONS

A Mexican decree of March 2, 1943, sets up a Consortium selected from the National Board of Distribution and Control, two agricultural banks and a trading company, whose duties are to acquire essential foodstuffs from producers at sufficiently remunerative prices, to keep stocks of such foodstuffs in convenient localities, to regulate the market prices of these products and to dispose of surpluses abroad. The Ministry of National Economy is to fix the maximum prices, both wholesale and retail, in order to protect the consumer against illegal profit-making and speculation; the Consortium in exercising its control is to respect these maximum prices. Severe penalties are provided for selling goods at higher prices than the fixed maximum.

Ecuador

TARIFF ON PIGMENTS AND PAINTS

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that, under an Ecuadorian decree of September 5, 1942, the alternative ad valorem duty on unspecified pigments, pure or not, in paste or liquid form, and on unspecified paints in liquid form, including so-called enamel paints, has been reduced from 50 to 30 per cent. This rate is applied if it returns a higher duty than the unchanged specific rates of 0.90 sucre per kilogram (3.2 cents per pound) and 1.50 sucres per kilogram (5.3 cents per pound), respectively.

Iraq

POSTPONEMENT OF SOAP REGULATIONS

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reports that certain Iraq regulations governing the manufacture and trading in soap, published in *Commercial Intelligence Journal* No. 2013 (August 29, 1942), page 221, were suspended by a departmental order up to March 22, 1943, and that suspension for another year has been proposed by the Director of the Industrial Research Department of the Ministry of Economies. The regulations in question (No. 55) went into force on September 30, 1941. Regulations No. 77 of December 20, 1941, stated that their application may be postponed where there is a scarcity of soap and prices advance to high levels.

Canadian Trade Commissioners should be kept supplied with catalogues, price lists, discount rates, etc., and the names and addresses of trade representatives by Canadian exporters. Catalogue should state whether prices are at factory point, f.o.b. at port of shipment, or, which is preferable, c.i.f. at foreign port.

The Canadian Government Trade Commissioners at the present time are using Bentley's Second Phrase Code.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 5, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 5, 1943, and for the week ending Monday, March 29, 1943, with the official bank rate:—

	Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending March 29	Nominal Quotations in Montreal Week ending April 5	Official Bank Rate
Great Britain.	Pound	4.8666			
		Buying	\$4.4300	\$4.4300	2
		Selling	4.4700	4.4700	—
United States.	Dollar	1.0000			.
		Buying	1.1000	1.1000	1
		Selling	1.1100	1.1100	—
Mexico	Peso	.4985	.2283	.2283	4
Jamaica	Pound	4.8666			
		Bid	4.4200	4.4200	—
		Offer	4.4800	4.4800	—
Other British West Indies.	Dollar	1.0138	.9313	.9313	—
Argentina.	Peso (Paper)	.4245			
		Official	.3304	.3304	3½
		Free	.2644	.2677	—
Brazil.	Milreis (Paper)	.1196			
		Official	.0673	.0673	—
		Free	.0569	.0569	—
British Guiana	Dollar	1.0138	.9313	.9313	—
Chile	Peso	.1217			
		Official	.0574	.0574	3-4½
		Export	.0444	.0444	—
Colombia.	Peso	.9733	.6358	.6358	4
Venezuela	Bolivar	.1930	.3330	.3330	—
Uruguay.	Peso	1.0342			
		Controlled	.7307	.7307	—
		Uncontrolled	.5862	.5862	—
South Africa.	Pound	4.8666			
		Bid	4.3862	4.3862	3
		Offer	4.4590	4.4590	—
Egypt	Pound (100 Piastres)	4.9431			
		Bid	4.5380	4.5380	—
		Offer	4.5906	4.5906	—
India.	Rupee	.3650	.3359	.3359	3
Australia	Pound	4.8666			
		Bid	3.5300	3.5300	3
		Offer	3.5760	3.5760	—
New Zealand.	Pound	4.8666			
		Bid	3.5440	3.5440	1½
		Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

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PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

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Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Mutual Buildings Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfracom.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché. Office—Canadian Legation.

New York City: D. S. COLE, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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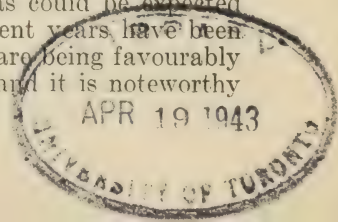
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BULK HANDLING OF WHEAT IN WESTERN AUSTRALIA

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, March 8, 1943.—The State of Western Australia has long been one of the more important wheat-producing areas of the Commonwealth. Despite adverse conditions in the years immediately preceding the outbreak of war in 1939, the accumulation of wheat in Western Australia was already causing concern to those responsible for marketing the crop. When war began the state not only had a large carryover of wheat but was faced with coming crops, a reduced United Kingdom demand and an inevitable decline in the amount of shipping available to export the crop to other markets. The result was that increasing quantities of grain were accumulating, principally at ports, and, as Western Australia had specialized in the bulk handling of grain, as distinct from the bagging system used elsewhere in the Commonwealth, those responsible for its disposal were confronted with a serious storage problem. This problem would have been serious enough, as it was in Canada, but in addition Western Australia had also to overcome pests, for which the mild climate is largely responsible. Outstanding among these is the weevil, in any one of its seven varieties, and for a long time it defied the efforts of grain men and specialists of the Council for Scientific and Industrial Research to eradicate it.

The grain men of Western Australia are now convinced that, despite the large quantities of grain currently stored in Western Australia, supplemented by the crops of the future war years, they can guarantee that any wheat leaving their state will be as commercially free of weevil as could be expected before the war. The steps taken to control the pest in recent years have been so effective that cargoes now reaching the United Kingdom are being favourably commented upon as far as weevil infestation is concerned, and it is noteworthy



that ocean transport to the United Kingdom is more than favourable to weevil increase.

DEVELOPMENT OF CONTROL METHOD

Weevil control as now exercised was discovered largely by accident and is almost entirely the result of forced adoption of the modern form of bulk storage in order to utilize to the maximum the storage space available. Maximum utilization of storage space requires that the grain be forced into every nook and cranny of a shed and as close to the ridge of the roof as the modern "trimmers" can cast. This maximum utilization obviously decreases the volume of air in the shed and results in a high—nearly 51 feet in the newer sheds—piling up of wheat. As the pile of wheat settles, the air is displaced in the pile by wheat grains being forced closer together. Without sufficient air supply apparently not even a weevil can exist. During storage the wheat is believed to give off carbon dioxide amounting to about 5 per cent of the interstitial air. This is also considered to have a suffocating effect on the insects. Temperature is probably a greater factor than air supply in the control of infestation. During storage in large stacks the temperature tends to increase by natural processes to a maximum of about 115° F. Above 105° F. it is considered that weevil cannot multiply and, except in the surface layers of wheat which act as insulators, live weevil are not found in the stack. The axiom is therefore deduced that "the larger the stack, the smaller the surface area per unit volume, and therefore the smaller the percentage infestation".

Weevil is extracted from wheat being put into the storage shed, and so the stored grain would be reasonably free. It is not denied that weevil cannot again infest the wheat in sheds but, owing to temperature rise and the absence of a sufficient air supply in the stored wheat, the activities of the weevil must perforce be restricted to the upper three or four inches of the wheat surface. This has been the experience of those handling the wheat since the modern method of bulk handling was systematized and, as care is exercised to remove the weevil from the restricted section of the wheat which has been in storage for any length of time, any wheat shipped from such storage in the future should be better than commercially free of weevil.

BULK STORAGE METHOD

The modern method of bulk storage of wheat in Western Australia involves the use of specially designed structures built of local timbers and galvanized iron or terne-plate. Into these sheds wheat is distributed and stored by the "trimmer", a machine originally designed for trimming ships' cargoes of wheat but modified for use in bulk storage sheds.

The design of the structure as presently used in Western Australia is the result of experience and is based on the use of local materials as far as possible. The modern storage of standard dimensions and 1,800 feet in length will hold 7,000,000 bushels of wheat. The galvanized-iron 26-gauge roof is supported by 2-inch by 3-inch purlins laid on 2½-inch by 8-inch rafters, which are carried on the tops of jarrah posts. Experiments are being conducted with terne-plate coated with bitumen before erection for roofing. Where the roofing material overlaps, a coat of red lead paint is applied during erection. The posts used are required to have a minimum diameter at the top of 6 inches and, when placed in position, at least 6 feet 6 inches must be in the ground. The underground portion is tarred to delay deterioration. The tar also prevents moisture from creeping up the posts and into the wheat. The posts are spaced at approximately 18-foot intervals across the building, and 16 feet apart lengthwise of the structure.

The rafters are held to the posts by means of No. 8 gauge wire; this replaces the strapping formerly used, as wires were found to be easier to tighten after the timbers have shrunk, as they normally will.

The structure is braced against wind thrusts by means of No. 5 gauge wires. Recently it has been found desirable to place the "cross-structure" wire bracing outside the building, which has the effect of putting the rafters in tension. Subsequent stresses and strains are distributed throughout the completed structure through the roofing material.

The floor construction is noteworthy. The surface is first levelled off and 2-inch by 3-inch jarrah joists are laid. The surface of the ground, generally sand, is then sprayed with a mixture of one-quarter bitumen, to seal against moisture, and three-quarters crude oil to kill the weevil. The floor, 26-gauge iron, always galvanized, is then laid on the joists with an overlap of 3 inches.

The sidewall construction is also worthy of note. It is erected at an angle of 60 degrees to the horizontal. This angle is selected because it results in the pressure of the grain, when at rest, being almost at right angles to the wall and therefore simply transmitted to the ground through external struts. It has been observed that wheat comes to rest when unsupported with a natural slope of about 25 degrees; when allowed to settle undisturbed, the angle will decrease slightly to about 23 degrees; during storage it settles to about 19 degrees. The bottom of the sidewall is constructed of two-ply 26-gauge galvanized iron or terne-plate, and the two sheets are so disposed as to prevent the intrusion of moisture, weevils, mice, etc.

This type of storage shed is simple and easy to construct, with the result that a well organized crew, with a minimum of skilled labour, can erect about 31 feet of shed per week of 44 hours. The basic wage in Western Australia is £A4 17s. 9d. per week; the type of semi-skilled labour now being irregularly employed on wheat-handling work is receiving £A9 3s. 4d. per week. The rate for carpenters on this type of construction is £A6 17s. 6d. per week, and on this particular work they are entitled to an additional £A1 per week "height money".

The capital cost of building such a storage structure in Western Australia is now below one penny per bushel; including the cost of sidings, machinery, wiring, elevator gear, the cost is 2s. 2d. per bushel.

An interesting feature of the modern bulk storing shed in Western Australia is an 8-inch lightweight pipe running lengthwise of the structure just under the ridge. This pipe is used for forced ventilation, to reduce the temperature of the air, and of the wheat surface, close to the iron roof. It also helps to reduce the moisture content of the wheat, as the moist air created by temperature changes close to the roof is expelled through it.

METHOD OF UNLOADING

Wheat is received at the storage sheds in low-walled flat cars, each containing 10 tons, or 370 bushels. The wheat is scooped out with what are known as "Clarke" shovels pulled through it by a wire operated from the elevator. Two shovels are generally used, each operated by one man. The wheat is shovelled from the cars into the hopper of an elevator, which delivers the grain through a reservoir to the foot of an inclined conveyer. The grain is carried up the conveyer and over a screen of $\frac{1}{8}$ -inch mesh through which any weevil would pass. The wheat is elevated again, conveyed and screened, and elevated, conveyed and screened a third time, after which it is elevated to the hopper of the trimmer. This trimmer consists principally of a broad rubber belt and fast rotating pulleys that drive the belt at the rate of 5.400 feet per minute. The grain is fed on to the belt and is travelling very fast when the belt follows the turning of the lower pulley. As a result, the wheat is hurled into the air by centrifugal force in a heavy stream, as when it is poured out of a Canadian elevator into a ship's hold. The direction of the stream of wheat is easily controlled, and the velocity of the grain leaving the belt is sufficiently high to ensure its being cast up to 50 feet above the belt and for a maximum distance horizontally of 130 feet.

The elevators are each designed to handle 60 tons per hour. There are two types of conveyers, one using a 20-inch belt requiring three idlers and driven by a 5-horsepower motor handling 120 tons per hour, and the other using a belt needing three idlers and a 7-horsepower motor to convey 240 tons per hour.

Two sizes of "trimmers" are available, one using a 30-horsepower motor casting 120 tons of wheat per hour, and a second type using a 50-horsepower motor throwing 240 tons per hour.

It is noteworthy that the average cost of handling wheat from the flat car into bulk storage, including screening for weevils, is 0.445d. per bushel. The outward handling charge is practically the same.

It is obvious that the casting method of placing the wheat in position in the storage sheds will result in the separation of dust and straw, etc., from the grain as the wheat is hurtling through the air. No attempt has been made to estimate the loss due to air-gravity separation from the trimmer stream; it is just an accidental addition to the screening in the cleaning process.

The total loss from weevil, screened out dust, etc., amounted to less than 0.125 per cent between input and out-turn when 4,000,000 bushels was stored in one depot for nearly two years.

As it is impossible to make the sheds airtight, some trouble has been experienced with a moth that attacks the wheat to a maximum depth of 1½ inch from the surface. Experiments now being concluded suggest that spraying with carbon bisulphide will keep the moth away. Carbon bisulphide is volatile, so, to facilitate its adherence to grain at door openings, etc., and decrease dissipation, it has been found desirable to spray the surface after dusting with diatomaceous earth. After the shed has been emptied, it is freed of hibernating insects by spraying with creosote emulsion.

The foregoing is a fairly adequate description of the methods adopted in Western Australia to provide low-cost emergency storage space for wheat in a minimum of time. The system of shed construction that has been adopted has the great advantage of elasticity, the length of any individual shed being limited only by the ground area available.

For the information of those in Canada who are interested in the problem of the emergency storage of wheat and other cereals and in the methods adopted to deal with this problem in Western Australia, a number of photographs illustrative of many of the features of the structures and machinery used in that state have been supplied by Co-operative Bulk Handling Limited of Perth and are available for inspection on application to the Department of Trade and Commerce, Ottawa (quote file No. 21768).

SOUTH AFRICAN SOCIAL AND ECONOMIC PLANNING COUNCIL

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, March 4, 1943.—The Social and Economic Planning Council of the Union of South Africa, the purposes of which were outlined in *Commercial Intelligence Journal* No. 2002 (June 13, 1942), page 633, has issued its first report, dealing with re-employment, reconstruction and the Council's status.

This organization is charged with making an analysis of social and economic conditions and policies and it is further required to formulate plans for raising production and living standards in the Union. Due to the priority claims of the war, many of these activities must be left in abeyance until the post-war period, when it is realized that the immediate problems which will face the country will be the re-employment of ex-soldiers and discharged workers. The question of the adaptation of South African agriculture and industry to conform to conditions that will prevail in competing countries, as well as the progressive betterment of social conditions, must now receive attention. Consequently the Economic and

Planning Council has recently been making an investigation of wartime economy in order to gauge the immediate post-war adjustments which will be necessary. The results achieved are embodied in the Council's report.

It is pointed out that the war has had far-reaching effects on South Africa's labour market, as the result of changes brought about by enlistments. Owing to wartime regulations the strength of the armed forces cannot be disclosed, but it is stated that among those enrolled European (white) males predominate. Those who have gone into the army have been replaced, in manufacturing industry and construction chiefly by natives, coloureds and Indians, although there has also been a considerable influx of European females. In all it is estimated that during the period June, 1939, to June, 1942, there was a net increase of approximately 33,000 people engaged in private manufacturing industry. The total is made up of 21,500 natives, 85,000 coloureds and 3,000 Asiatics.

Industry in general has not been affected equally by expansion or labour replacement. The greatest development has been in engineering, which now employs 7,000 more Europeans and 10,000 more natives than in 1939. Next comes the food-processing industry, in which the labour force has risen by 12,000. The chemical industry follows with a net increase of 5,500. Textile and leather manufactures have also expanded appreciably. Employment in building and construction has remained at a relatively high level owing to the large defence construction problem.

A somewhat similar development has taken place in the mining industry, although on a smaller scale owing to the fact that by April, 1942, only 5,000 gold miners had enlisted. Enlistment has also substantially affected the European male staff of the public service, railways, banks, insurance companies and commercial firms. Vacancies were mainly filled temporarily by women workers, many of whom were married, and to a lesser extent by pensioners and temporary male clerks.

POST-WAR RE-EMPLOYMENT

On the basis of the foregoing, an attempt has been made to estimate the extent of post-war re-employment. It is believed that the total figure will be 230,000, made up of 80,000 European males, 30,000 European females, 90,000 natives, and 30,000 coloureds and Asiatics. These figures have been criticized as being on the high side, but the Council emphasizes that considerable statistical difficulties have been met with in compiling them, which may detract from their accuracy. The report of the Council goes on to state that unaided the competitive system could not cope with the absorption of such a large amount of labour and that it cannot be left to the free play of demand and supply. It is also feared that, as the wartime demand for industrial products and foodstuffs declines and the necessity of making adjustments to peacetime conditions arises, there may even be added unemployment. Accordingly the Council urges the Government to use every available device to redirect the employment of resources and to ease and expedite the whole process of adjustment.

A body known as the Civil Re-employment Board has been occupied with this task since November, 1940; it has covered a certain amount of ground, but has made only limited progress, and in its report the Social and Economic Council states that the projects it has in mind are inadequate to absorb more than a small number of those likely to be seeking employment.

In order to take up the problem on a wider front, the Council now suggests a number of major projects including planned public works, which are stated to be essential. This is qualified by an explanation that they must be quickly begun and there must be diversified projects to suit the skills of the unemployed. Further, in view of the scarcity of supplies after the war, the projects selected must be those that use the greatest proportion of local raw materials. It is recommended that committees be appointed comprising representatives of the

various government departments that will be involved—the state railways, the provincial administrations and other corporate bodies—to study the question in further detail.

It is further suggested that regional surveys be made of the whole subject of public works. Town planning is also suggested, with a stock-taking to ensure orderly town and regional development in the future and to provide a sound basis for housing schemes that will be required in the post-war period.

The question of improving nutrition is also touched upon, being closely allied to farming reconstruction. Farming reconstruction, it is pointed out, must provide the protective and other foods that are required in order to raise the present low level of farm productivity. The question of increasing the well-being of the Union's large native population is also referred to, as is also social security measures.

Mention is also made of industrial expansion, which the Council believes to be of major importance in view both of the likely extent of employment after the war and the need to provide alternative avenues of employment in the event of the present rate of gold production falling after ten years. While it does not go into detail, the Council feels that the supply of the basic needs of the population, such as food, clothing, housing and transport, is of paramount importance and that, therefore, in general terms the urgent needs of the domestic market must take precedence over any great development of export markets for industrial products. The Social Economic Planning Council has therefore arranged with the Industrial Development Corporation to undertake a survey of existing industries and to investigate the possibilities of new developments.

In summarizing, the Council again refers to the possible magnitude of post-war unemployment and emphasizes that present efforts to deal with it are inadequate and that, on the long-range question of increased productivity, discussion is only at the stage of vague and wishful thinking, for which reason systematic and planned projects looking to the future must be seriously taken in hand.

CONDITIONS IN SOUTHERN RHODESIA

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, March 12, 1943.—General business conditions have been well maintained and, despite supply difficulties, turnovers compare favourably in many respects with those of a year ago. The wholesale trade in goods for the natives reports keen demand, but sales are being limited to prevent too rapid depletion of stocks. In fact, with the supply position becoming increasingly difficult, the tendency among traders to conserve stocks is now apparent.

MINERAL PRODUCTION

Mineral production in Southern Rhodesia for 1942 was probably a new record. Final statistics developed from the monthly returns enables a close approximation of the aggregate value of production during the year, which is estimated at about £330,000 above that for the previous peak year, 1940. The aggregate value of all minerals produced in the Colony in 1942 was about £9,360,000.

The result is entirely due to the marked advance in the output of base minerals, which last year reached the record value of £2,976,000 as compared with £2,242,000 in 1941. There is a minor boom in base-metal claim prospecting and pegging, an outstanding feature being the quest for tungsten. The production of this metal is encouraged and subsidized by loans from the Government which, in addition, has recently assumed drastic powers to compel the working of all claims carrying strategic minerals. The Government is also co-operating

with producers in an endeavour to bring about a rapid increase in the output of asbestos, chrome, mica and tin. Asbestos still retains its place as second to gold, while exports of chrome ore are probably double what they were before the outbreak of war.

The gold return in 1942 was 760,030 ounces, which was 30,412 ounces less than in 1941, and the value, at £6,384,255, was £255,460 less than a year ago. The main reason for the decline is the closing of a number of small properties as a result of reduced supplies and the cost of those available, which has increased 30 per cent. There are now 430 gold-producing properties as compared with 491 in 1941. According to the latest annual report of the Department of Mines, "gold will no doubt continue to be the basis of international exchange, and its production will moreover be invaluable in gold-producing countries to assist in stabilizing their economic position, but for the time being it is unlikely to maintain the position of pre-eminence it has occupied in the past". Gold formerly represented 50 per cent of the value of domestic exports from Southern Rhodesia; it now accounts for only about 40 per cent.

AGRICULTURE

No official statistics are yet available of the new tobacco and maize crops, but good yields are expected if weather conditions remain favourable. It is reported that over 6,000 tons of maize were purchased from Nyasaland in the early weeks of 1943, but maize remains in short supply, and no improvement is expected until the new crop is reaped. Maize is the primary food of the 1,250,000 natives in Southern Rhodesia.

The 1941-42 season proved most disappointing, due to sub-normal rains. However, the weather did not have serious effects on tobacco, the most important export crop. Despite scanty rainfall, a record harvest was reaped, but the quality of the Virginia type was not quite up to earlier standards. The total area under tobacco in 1941-42 was 79,109 acres, and the green weight produced was 49,061,281 pounds comprising: Virginia, flue-cured, 46,579,011 pounds; fire-cured, 937,527 pounds; other, 2,961 pounds; and Turkish, 1,541,782 pounds. The total exceeded the previous record (1940-41) by over 12,000,000 pounds. Exports of raw tobacco represented more than one-fifth of the total value of exports last year; prices realized at the auctions have been 50 per cent above pre-war levels.

Cattle are in keen demand, but slaughter stock has been scarce, and a government order has been gazetted to prevent the hoarding and speculative buying of cattle on a large scale; only licensed persons and agencies may buy at the auction sales.

INDUSTRY

Secondary industries in the Colony find profitable markets in Northern Rhodesia and other neighbouring countries for manufactured tobacco, flour, preserved meats, sugar, beer, clothing, cement, soap and printed matter. (Wholesale houses also carry on re-export trade). Factories are busy, although outputs are reduced by scarcity of raw materials.

During the year the Government imported cotton-spinning machinery and set up a small mill at Gatooma; it is reported that private enterprise will establish weaving mills. A cotton-wool plant is now in operation and can meet domestic requirements. It is expected that two tanneries will begin operations in the near future; wattle-bark requirements will be supplied by local growers. The iron and steel works at Bulawayo have been expropriated by the Government. While local secondary industries of any size are few in number, the Government has set up an Industrial Development Committee and has taken other steps to encourage the fabrication of the natural products of the Colony.

GOVERNMENT FINANCES

There are indications that a large part of the white population is enjoying a fair measure of prosperity. Government revenue in the fiscal year 1938-39 was £3,514,032, while in the nine months April to December, 1942, it was nearly twice as high at £6,773,950. Yield from income tax in the same periods was, respectively, £895,594 and £4,097,578; incidentally the latter figure exceeded the estimate for the whole fiscal year by nearly £400,000. The total earnings of the Rhodesian Railways have increased from a 1937-39 monthly average of £475,000 to a 1942 monthly average of £585,000.

While import and export statistics, like those for base minerals production, are not available for publication, it can be stated that the value of export trade in 1942 was the highest ever reached and that, although the quantities of goods imported were substantially below normal, the total value of imports was above the pre-war average. The balance of trade was undoubtedly very favourable to Southern Rhodesia, even allowing for external payments such as mining dividends.

COMMERCIAL NOTES FROM INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee equals approximately \$0.335 Canadian)

Bombay, March 5, 1943.—Indian government statistics of the country's foreign trade during the nine months April-December, 1942, show a heavy decline in imports, a smaller decline in exports, and as result, a large increase in the favourable trade balance when compared with corresponding figures for 1941. As between these nine-month periods of the two years, import values fell off from Rs.1,423,129,000 to Rs.827,867,093, and those of exports from Rs.1,768,895,157 to Rs.1,446,126,045. The trade balance in India's favour increased from Rs.345,766,156 to Rs.618,258,952.

India's foreign trade, by countries of origin and destination, shows an almost universal decline in import values except for Ceylon, Iran, South Africa, and several African colonies. The decreases of the greatest extent (apart from those for enemy occupied territories) were for the United States, Kenya, Australia, and Switzerland. Export values have increased in the case of Aden, Ceylon, Australia, South Africa, Turkey, Syria, and the West Indies as compared with major declines for the United Kingdom, Canada, the United States, Egypt, and the South American countries.

From the viewpoint of trade by commodities and commodity groups, exports showed substantial declines in value for tea, raw cotton, jute manufactures, grains, and iron and steel goods. There was, on the other hand, a large increase in the value of exports of cotton yarn and manufactures. All the principal commodity groups showed smaller values than for the previous year, notably raw materials and semi-manufactured products. In the case of imports the general and substantial decline in values was somewhat more marked than usual in the case of rice and other grains, raw cotton, motor vehicles, cotton manufactures, lumber, machinery, and iron and steel products, while it was offset to some extent by increased values for oils, tea, and various non-metallic minerals. By commodity groups the greatest decline has been in fully manufactured articles, although the percentage decrease has been even higher for the food, drink, and tobacco group.

WHEAT CROP FORECAST

The first forecast of the 1942-43 wheat crop in India was published recently. It is estimated that the area sown to wheat during the current season is

33,694,000 acres, an increase of 5 per cent over the corresponding figure for the preceding year. No data are yet available regarding the extent of the crop, but its present condition and prospects are reported to be generally satisfactory.

FOOD SITUATION

Several parts of the country have been experiencing a severe shortage of various essential foods for some time past. As noted in previous references to this subject, this has been due not only to the cutting-off of rice supplies from Burma and Malaya but also to the necessity of exporting grain stocks to several Middle East markets. The Central and Provincial Governments have taken various steps to relieve the situation, including the purchase of several cargoes of wheat from Australia, encouragement to increased production of food crops in suitable areas, increased supervision of distribution, and the removal of wheat price control. It is officially stated that the position is already showing improvement and that continued progress in this direction may be expected.

BUDGET PROVISIONS

The Central Government's budget was presented a few days ago. It provides, among other things, for the maintenance of the 20 per cent surcharge on import duties which has been in force for the past year, an increase in income tax rates, as well as those of super tax and corporation tax, higher excise duties on tobacco and certain foodstuffs, and increases in postage and telephone charges. General comment on these budget proposals indicates approval of their efficacy and moderate extent.

PAPER CONTROL

A regulation issued by the Central Government some weeks ago provided that 90 per cent of the production of India paper mills be reserved for official use, the remaining 10 per cent being the maximum made available for commercial purposes. Widespread agitation against this measure has led to its revision and the issue of permission to the mills to distribute 30 per cent of their total output through the usual trade channels.

The Central Government continues to revise its newsprint control regulations with a view to conservation of stocks on hand and economical use of future supplies. The latest amendments to the original orders on this subject prevent the establishment of new newspapers and restrict the size and frequency of issues of those now being published.

RAILWAYS

In presenting the estimates of the Department of War Transport recently, the Railway Member referred to the unprecedentedly high earnings of the state railways during the past year and commented on future railway policy in India. Plans for the manufacture of locomotives in local shops are to be carried through as soon as equipment and personnel are available, while local production of other equipment is also to be given as much encouragement as possible. Reference was also made to the possibility of the railways operating internal air services throughout the country.

GOVERNMENT CONTROLS

There has been a marked increase for some time past in the number and scope of control measures enforced by the Central Government. It is extremely difficult, in fact, to keep abreast of the whole control position. Outside of the regulations of long standing affecting import and export trade, exchange, iron, steel, and some other essential commodities, there is now a multiplicity of

regulations in force governing industrial production of numerous types, the trade in various chemicals, transportation of particular goods from one part of the country to another, prices, hoarding, etc. In general each urgent situation is being met as it arises, and there is no basic scheme, as in several countries, to which new regulations are adjusted or with which they are co-ordinated.

COST OF LIVING

Living costs continue to increase in all parts of India. This is to some extent inevitable owing to the shortage of many every-day commodities, but the ineffectiveness of price control measures and the widespread tendency to hoard and to encourage or condone black market operations have aggravated the situation very seriously. The working-class cost-of-living index number compiled by the Indian Government for Bombay city stood at 203 on January 15, 1943; the same index number in August, 1939, was 105.

PROPOSED NEW POLITICAL CONSTITUTION FOR JAMAICA

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, March 18, 1943.—The outline of a new political constitution for Jamaica, intended to give the people and their elected representatives a larger share of the power and the responsibilities of government, was announced by His Excellency the Governor, Sir Arthur Richards, at a special meeting of the Legislative Council held on February 23. If the new scheme is adopted, the legislative authority in Jamaica will consist of the Governor, who, as hitherto, will be appointed by the King; an upper house called the Legislative Council, having fifteen nominated members, of whom a minority, not yet determined, will be civil servants of high rank; and a House of Assembly comprising (provisionally) not fewer than twenty-four members, all elected on the basis of universal adult suffrage, including women.

The Governor will not sit in either House, and each will elect its Chairman, who will be styled President in the case of the Legislative Council and Speaker in that of the House of Assembly. The legislative functions of these two bodies have not yet been precisely defined. It has been suggested that each candidate for election to the House of Assembly should deposit £50, to be forfeit should he fail to obtain one-eighth of the total number of votes polled in his constituency.

There will also be an Executive Committee consisting of five members of the House of Assembly, chosen by the latter, and two official and three unofficial persons, these three to be members of the Legislative Council. The Governor will appoint the official and unofficial members of the Executive Committee, of which he will be Chairman, with a casting but not an original vote. The Executive Committee will be the principal instrument of government policy, will initiate all laws, and will prepare the budget. Except in matters of royal prerogative, it will supersede the present Privy Council.

An important suggestion is that an experiment should be conducted in developing a ministerial system. It is proposed, therefore, that the House of Assembly shall form five small committees to deal respectively with (1) general purposes; (2) agriculture and lands; (3) education; (4) social welfare; and (5) communications, and that the chairman of these committees should be appointed to the Executive Committee.

GOVERNOR'S POWERS

The new constitution precisely defines the Governor's special powers and the manner of their use. He will be competent to give the force of law to any bill, resolution, motion or vote which he considers necessary in the interests of

good government, notwithstanding rejection by the Legislature; but he will exercise this power (called "power of certification") in accordance with the Executive Committee's advice, which he will be obliged to request in writing. Should he decide to exercise it, he must report his decision at once to the Secretary of State for the Colonies, and except in urgent cases it must not be exercised without the latter's prior approval. Conversely, the Governor will have power to veto any bill passed by the two houses. It is provided, however, that, on the rare occasions when he should not feel prepared to assent to a bill, he should either reserve it for the Sovereign's pleasure or, before refusing assent, should consult the Executive Committee, and, should the latter not agree, the Secretary of State for the Colonies.

POLITICAL BACKGROUND

These prospective changes are the outcome of a movement which began many years ago. In 1926 the Jamaica Legislative Council considered and rejected an offer of a new constitution that had been drawn up by the Secretary of State for the Colonies based on their prior representations. The movement was revitalized by the socio-economic policy recommended by the West India Royal Commission, as well as by the set of circumstances that led to the appointment of this body. In 1939 the Legislative Council approved of the recommendations for a new constitution made by the majority of its members, and it is upon this majority report that the present proposals are based. It was not, however, at first acceptable to the Secretary of State for the Colonies, who made an offer of a different type of constitution. The Jamaica Legislative Council considered and rejected this offer in August, 1941, and reaffirmed its previous stand. The Secretary of State replied in January, 1942, that as, in his judgment, political opinion in the Colony was not united on the issue, the British Government would "proceed with the institution of a more liberal constitution based upon the grant of universal adult suffrage." Preliminary thereto would be the taking of a proper census and the recasting of local administration.

By October, 1942, the chief political bodies in Jamaica had agreed among themselves, and they addressed a memorial to the Secretary of State making proposals for a new constitution based on the 1939 majority report of the Legislative Council, already referred to. In the main these proposals have now been accepted. The taking of the census was begun in January, 1943, under the direction of the head of the Canadian Census Bureau, who had been seconded to Jamaica for the purpose under arrangement with the British Government, which is paying for the work. This will be the first census of Jamaica to be taken in accordance with modern practice in Britain, Canada and other large countries, and it was referred to by the Governor in his address to the Legislative Council on March 9, as being of "monumental importance."

If accepted, the new constitution will be tried for a full electoral period of five years, and the position will then be reviewed in the light of results. It has been well received by political parties, and the general reaction is distinctly favourable. Responsible public opinion appreciates the urgent need to ensure the satisfactory working of the more liberal system offered, and political leaders are accordingly preparing to co-operate on the lines of a "united front".

PRESENT SYSTEM

The present political constitution of Jamaica dates from 1884 and consists of a Governor, a Privy Council and a Legislative Council. Since its establishment, there has been a moderate increase in the element of popular representation. The latter was entirely absent between 1866 and the year named; prior to 1866 the constitution was similar to that now in prospect, except that the franchise was narrowly limited. The change made in 1866 resulted from the famous Morant Bay rebellion.

The Governor holds office at the Sovereign's pleasure; normally for six years. The Privy Council consists of the Senior Military Officer, the Colonial Secretary and the Attorney General, all *ex officio*, and of not more than eight other persons, named by the Sovereign and provisionally appointed by the Governor, subject to His Majesty's approval. The Governor can act against this body's advice, and in exceptional cases can refrain from consulting it. Normally the Privy Council is the source of all laws and, generally, of government policy.

The Legislative Council consists of the Governor as President, five *ex-officio* members, ten other members nominated by the Governor and including, in practice, both official and other persons; and fourteen elected members, one for each parish in the Island. There are property requirements for election and also for exercise of the franchise. Women were enfranchised in 1919. In 1935, when the last general election was held, the total number of registered voters was 68,637, and the Colony's estimated population, in round figures, was 1,100,000.

The Governor has only a casting vote in the Legislative Council, but the Government is in a majority of one. Should nine elected members vote against the Government on a financial question, or the entire fourteen on any question, the votes of the government side of the chamber are not taken unless the Governor should declare the matter to be of paramount public importance, as he is competent to do. This reserve power has been sparingly used on the whole, conciliation being normally preferred. Royal prerogative is safeguarded in a number of stated respects.

Elected members cannot initiate legislation without permission. In the past few years, however, there has been a growing tendency to give them a larger share in the conduct of public business, especially in preparing the annual budget. This work, formerly done exclusively in the several departmental offices and presented to Council *un fait accompli*, of which the Elected Members had no prior knowledge, is now performed by the whole Council sitting as a Finance Committee. About a year ago the present Governor departed from long established practice of appointing two elected members to be his Privy Councillors. There never has been any reason, however, why an elected member should not be a Privy Councillor.

TRADE OF TRINIDAD IN 1941

G. A. NEWMAN, CANADIAN TRADE COMMISSIONER

II. Imports of Interest to Canada—*Conc.*

ARTICLES WHOLLY OR MAINLY MANUFACTURED

The total value of imports into Trinidad in 1941 of manufactured products was \$39,323,068 as compared with \$31,374,899 in 1940, values being credited to the chief supplying countries as follows: Great Britain, \$10,733,474 (\$12,992,191 in 1940); United States, \$12,026,965 (\$10,847,324); Canada, \$10,003,282 (\$4,561,080).

Following are details of imports under this heading:—

Chinaware.—Total, 3,334 cwt., \$94,773 (1,696 cwt., \$41,539): Great Britain, \$83,567; Canada, 222 cwt., \$9,209 (40 cwt., \$821).

Pottery and Other Clay Products, n.o.p.—Total, \$16,182 (\$10,016): Great Britain, \$7,093; Canada, \$6,675 (\$2,059).

Sheet Window Glass.—Total, 5,781 cwt., \$53,144 (4,059 cwt., \$26,170): Great Britain, \$40,018; Canada, 1,192 cwt., \$12,834 (61 cwt., \$575).

Polished and Silvered Glass.—Total, 1,473 cwt., \$57,886 (928 cwt., \$31,851): Great Britain, \$40,823; Canada, 164 cwt., \$8,919 (52 cwt., \$2,360).

Beer, Wine and Spirit Bottles.—Total, 11,075 gross, \$77,977 (11,331 gross, \$72,372): Great Britain, \$31,822; Canada, 6,754 gross, \$43,518 (5,564 gross, \$36,017).

Glass Bottles and Jars, n.o.p.—Total, 1,587 gross, \$15,597 (400 gross, \$8,724): Great Britain, \$10,150; Canada, 646 gross, \$5,044 (32 gross, \$179).

Cement.—Total, 49,495 tons, \$1,168,200 (46,927 tons, \$996,964): Great Britain, \$808,671; Canada, 15,565 tons, \$344,544 (17,678 tons, \$394,653).

Angles, Shapes, Sections, Girders, etc.—Total, 6,543 tons, \$885,361 (4,137 tons, \$614,738): United States, \$618,235; Great Britain, \$55,579; Canada, 1,352 tons, \$211,547 (184 tons, \$16,286).

Flat Galvanized Iron.—Total, 395 tons, \$50,165 (541 tons, \$65,878): United States, \$42,279; Canada, 29 tons, \$5,461 (27 tons, \$3,880).

Corrugated Galvanized Iron.—Total, 2,560 tons, \$342,776 (2,409 tons, \$290,041): United States, \$235,007; Great Britain, \$23,627; Canada, 423 tons, \$84,142 (46 tons, \$8,547).

Tubes, Pipes and Fittings up to 6 Inches Diameter.—Total, 9,362 tons, \$1,762,509 (13,690 tons, \$2,438,630): United States, \$1,058,808; Great Britain, \$295,701; Canada, 2,484 tons, \$406,915 (1,603 tons, \$186,773).

Tubes, Pipes and Fittings over 6 Inches Diameter.—Total, 11,455 tons, \$1,815,022 (15,253 tons, \$2,129,312): United States, \$1,406,957; Great Britain, \$402,407; Canada, 17 tons, \$5,355 (176 tons, \$27,378).

Wire Netting, Fencing and Mesh, All Kinds.—Total, 134 tons, \$60,010 (219 tons, \$66,615): Great Britain, \$13,187; United States, \$11,397; Canada, 84 tons, \$35,426 (140 tons, \$43,969).

Wire Nails and Staples.—Total, 1,087 tons, \$95,383 (747 tons, \$67,821): Canada, 1,051 tons, \$88,646 (656 tons, \$57,440).

Wire Manufactures, n.o.p. (Cables, Wire Rope, etc.).—Total, \$131,171 (\$126,479): United States, \$33,354; Great Britain, \$22,419; Canada, \$75,398 (\$30,442).

Bolts and Nuts, Rivets, Washers, Screws and Tacks.—Total, 382 tons, \$132,617 (408 tons, \$120,678): United States, \$61,188; Great Britain, \$27,811; Canada, 162 tons, \$43,618 (46 tons, \$12,491).

Domestic and Sanitary Goods, Other than Furniture and Hollow-ware.—Total, 397 tons, \$143,601 (460 tons, \$117,345): Great Britain, \$86,330; United States, \$37,570; Canada, 51 tons, \$19,701 (17 tons, \$9,199).

Furniture of Metal, and Parts.—Total, 399 tons, \$174,971 (379 tons, \$153,845): Great Britain, \$40,903; Canada, 283 tons, \$129,062 (131 tons, \$67,751).

Hollow-ware, n.o.p.—Total, 302 tons, \$103,016 (153 tons, \$74,773): Great Britain, \$46,488; Canada, 79 tons, \$37,074 (17 tons, \$10,541).

Manufactures of Iron and Steel, n.o.p.—Total, \$1,387,228 (\$1,025,792): United States, \$760,508; Great Britain, \$460,833; Canada, \$159,538 (\$39,757).

Aluminium Manufactures, Other than Domestic Hollow-ware.—Total, 621 cwt., \$36,625 (670 cwt., \$53,854): Great Britain, \$19,957; Canada, 242 cwt., \$15,777 (34 cwt., \$3,533).

Manufactures of Brass and Alloys of Copper, n.o.p.—Total, 3,797 cwt., \$224,019 (5,701 cwt., \$319,186): Great Britain, \$111,267; United States, \$37,754; Canada, 1,390 cwt., \$69,543 (511 cwt., \$30,314).

Copper Manufactures, n.o.p.—Total, 4,555 cwt., \$126,444 (3,531 cwt., \$85,886): Great Britain, \$41,999; United States, \$23,598; Canada, 2,254 cwt., \$60,842 (645 cwt., \$20,051).

Lead Manufactures, n.o.p.—Total, 2,829 cwt., \$64,077 (777 cwt., \$11,060): Great Britain, \$13,763; Canada, 2,244 cwt., \$48,149 (52 cwt., \$858).

Soft Solder.—Total, 680 cwt., \$29,132 (293 cwt., \$12,678): Great Britain, \$18,545; Canada, 167 cwt., \$6,389 (26 cwt., \$895).

Metal Bars, Blocks, Cubes, etc.—Total, 424 cwt., \$22,312 (496 cwt., \$31,588): Great Britain, \$8,013; Canada, 238 cwt., \$7,850 (53 cwt., \$3,272).

Razor Blades.—Total, 10,234 gross, \$24,884 (4,140 gross, \$9,312): Canada, 6,944 gross, \$21,344 (1,838 gross, \$6,748).

Hardware, Other than Hollow-ware, n.o.p.—Total, 4,081 cwt., \$164,784 (4,206 cwt., \$145,749): Great Britain, 81,371; United States, \$44,853; Canada, 965 cwt., \$37,919 (400 cwt., \$15,241).

Agricultural and Horticultural Tools, Other than Secateurs.—Total, \$72,492 (\$49,424): Great Britain, \$54,164; Canada, \$11,867 (\$2,698).

Artisans' Tools.—Total, \$162,058 (\$85,189): Great Britain, \$57,287; United States, \$66,543; Canada, \$31,451 (\$7,228).

Tools, n.o.p.—Total, \$289,318 (\$241,561): Great Britain, \$24,567; United States, \$248,687; Canada, \$15,904 (\$1,203).

Photographic and Cinematograph Appliances and Accessories.—Total, \$51,246 (\$31,692): Great Britain, \$10,003; Canada, \$34,679 (\$14,978).

Scientific Instruments and Appliances, Other than Optical.—Total, \$208,232 (\$154,196): United States, \$134,907; Great Britain, \$26,273; Canada, \$44,601 (\$5,434).

Clocks, Other than Electric.—Total number, 12,449, \$20,126 (4,555, \$9,008): Canada, 11,934, \$15,898 (3,921, \$5,267).

Watches, Complete.—Total number, 11,629, \$64,200 (8,284, \$26,308): Switzerland, \$34,279; Canada, 4,953, \$17,244 (1,829, \$2,962).

Insulated Electric Wires and Cables.—Total, \$212,998 (\$187,511): United States, \$44,160; Great Britain, \$122,846; Canada, \$45,992 (\$7,978).

Wireless Apparatus.—Total, \$116,450 (\$75,128): Great Britain, \$68,650; United States, \$23,966; Canada, \$23,326 (\$3,280).

Bulbs, Electric Light, under 20 Volts.—Total number, 178,051, \$15,173 (182,726, \$10,575): United States, \$4,678; Great Britain, \$4,522; Canada, 45,874, \$5,953 (7,424, \$894).

Bulbs, Electric Light, over 20 Volts.—Total number, 235,352, \$43,853 (228,452, \$39,414): Great Britain, \$35,546; Canada, 51,307, \$7,566 (294, \$129).

Other Electric Light Appliances.—Total, \$34,959 (\$22,314): Great Britain, \$13,941; United States, \$7,408; Canada, \$9,369 (\$757).

Primary Batteries Complete.—Total, \$27,702 (\$27,596): Canada, \$21,794 (\$10,629).

Accumulators, including Parts.—Total, \$38,423 (\$30,965): Canada, \$36,347 (\$23,184).

Electric Stoves.—Total number, 610, \$33,037 (520, \$25,590): Canada, 547, \$28,460 (191, \$10,299).

Electric Toasters, Irons, etc.—Total, \$10,909 (\$8,786): Canada, \$6,428 (\$1,552).

Electrical Goods and Apparatus, n.o.p. (Carbons, Meters, etc.).—Total, \$340,998 (\$221,024): Great Britain, \$101,401; United States, \$166,979; Canada, \$71,294 (\$41,811).

Electrical Machinery.—Total, 516 tons, \$688,302 (215 tons, \$214,153): United States, \$493,480; Great Britain, \$154,878; Canada, 60 tons, \$38,277 (43 tons, \$30,320).

Electric Refrigerators.—Total number, 499, \$80,164 (542, \$77,836): Canada, 432, \$71,129 (176, \$25,114).

Electric Water and Beverage Coolers.—Total number, 61, \$16,769 (31, \$4,880): Canada, 54, \$14,079 (23, \$3,714).

Typewriters.—Total number, 604, \$40,428 (345, \$24,054): Canada, 553, \$35,942 (264, \$20,326).

Office Machinery, n.o.p.—Total, 321 cwt., \$64,289 (122 cwt., \$33,702): United States, \$35,681; Canada, 167 cwt., \$24,368 (30 cwt., \$5,700).

Sewing-machines.—Total number, 2,638, \$101,316 (2,580, \$116,765): Great Britain, \$9,351 (\$114,644); Canada, 2,230, \$90,419 (nil).

Machines and Machinery, n.o.p.—Total, 2,240 tons, \$1,889,668 (1,816 tons, \$1,556,841): United States, \$1,407,283; Great Britain, \$377,673; Canada, 73 tons, \$93,221 (7 tons, \$7,182).

Furniture and Cabinet Ware.—Total, \$104,426 (\$42,815): Canada, \$91,152 (\$35,082).

Builders' Woodwork.—Total, \$19,143 (\$77,799): Canada, \$15,707 (\$8,594).

Domestic Woodware.—Total, \$10,684 (\$5,080): Canada, \$8,993 (\$2,298).

Plywood.—Total, 44,424 cu. ft. \$27,528 (2,967 cu. ft., \$3,322): Canada, 44,424 cu. ft. \$27,528 (2,353 cu. ft., \$2,422).

Manufactures of Wood, n.o.p.—Total, \$55,391 (\$35,942): Great Britain, \$8,054; Canada, \$29,046 (\$10,368).

Grey Unbleached Cotton Piece-goods.—Total, 559,588 sq. yd., \$73,895 (718,548 sq. yd., \$83,025): India, \$35,464; Canada, 74,528 sq. yd., \$23,797 (39,252 sq. yd., \$13,972).

White Bleached Cotton Piece-goods.—Total, 1,562,732 sq. yd., \$234,611 (1,821,427 sq. yd., \$241,310): Great Britain, \$130,799; India, \$29,063; Canada, 457,329 sq. yd., \$72,525 (81,720 sq. yd., \$22,925).

Printed Cotton Piece-goods.—Total, 3,517,423 sq. yd., \$551,959 (2,924,605 sq. yd., \$401,571): Great Britain, \$205,184; Canada, 2,179,246 sq. yd., \$336,944 (184,455 sq. yd., \$24,526).

Coloured Cottons and Dyed in Piece.—Total, 3,461,274 sq. yd., \$684,678 (2,829,833 sq. yd., \$488,806): Great Britain, \$402,317; Canada, 1,368,328 sq. yd., \$248,147 (142,491 sq. yd., \$20,617).

Cotton Sewing Thread.—Total, \$125,973 (\$92,631): Great Britain, \$116,554; Canada, \$5,754 (\$1,687).

Made-up Cotton Goods.—Total, \$190,268 (\$168,194): Great Britain, \$92,094; Japan, \$16,484; Canada, \$50,772 (\$4,049).

Cotton Manufactures, n.o.p. (Cleaning Waste, etc.).—Total, \$86,022 (\$75,151): Great Britain, \$50,928; Canada, \$28,743 (\$8,856).

Woollen and Worsted Yarns.—Total, 8,492 lb., \$16,063 (8,225 lb., \$12,451): Canada, 3,790 lb., \$7,384 (4,018 lb., \$5,605).

Woollen Tissues, Other than Flannels and Delaines.—Total, 306,756 sq. yd., \$336,725 (229,379 sq. yd., \$207,472): Great Britain, \$322,792; Canada, 10,277 sq. yd., \$13,933 (218 sq. yd., \$133).

Tissues, Wool mixed with Other Materials.—Total, 253,333 sq. yd., \$262,488 (127,700 sq. yd., \$127,686): Great Britain, \$37,345; Canada, 26,799 sq. yd., \$25,143 (1,895 sq. yd., \$1,691).

Artificial Silk Piece-goods.—Total, 3,690,415 sq. yd., \$1,049,582 (2,311,377 sq. yd., \$567,926): Great Britain, \$491,605; Canada, 1,279,844 sq. yd., \$446,388 (292,022 sq. yd., \$87,879).

Artificial Silk Manufactures, n.o.p. (except Apparel and Embroidery).—Total, \$18,526 (\$18,916): Canada, \$10,497 (\$2,641).

Artificial Silk, mixed with Other Materials, Piece-goods.—Total, 219,481 sq. yd., \$64,369 (163,733 sq. yd., \$41,849): Great Britain, \$47,877; Canada, 27,021 sq. yd., \$12,358 (798 sq. yd., \$380).

Cordage, Rope and Twine of Cotton under ¼ Inch Diameter.—Total, 690 cwt., \$34,230 (698 cwt., \$34,897): Great Britain, \$14,707; Canada, 374 cwt., \$16,295 (268 cwt., \$10,567).

Cordage, Rope and Twine of Hemp of ¼ Inch Diameter and over.—Total, 3,484 cwt., \$54,682 (3,565 cwt., \$52,056): Great Britain, \$28,015; Canada, 1,565 cwt., \$26,361 (330 cwt., \$5,051).

Cordage, Rope and Twine of Other Materials, ¼ Inch Diameter and over.—Total, 2,788 cwt., \$45,850 (2,499 cwt., \$32,244): Great Britain, \$26,785; Canada, 780 cwt., \$12,163 (620 cwt., \$8,282).

Outer Garments, Overcoats, Mackintoshes, etc.—Total, \$24,729 (\$14,895): Canada, \$18,380 (\$4,813).

Men's and Boys' Outer Garments, Other than Overcoats.—Total, \$99,900 (\$60,235): Hongkong, \$38,867; Great Britain, \$26,827; Canada, \$29,496 (\$7,529).

Women's and Girls' Outer Garments (Dresses, etc.).—Total \$108,695 (\$93,796): Canada, \$91,681 (\$58,695).

Other Outer Garments (Aprons, Overalls, etc.).—Total, \$13,813 (\$13,333): Canada, \$7,923 (\$3,946).

Shirts.—Total, 89,466 doz., \$489,889 (93,843 doz., \$371,171): Hongkong, \$252,922; Canada, 16,075 doz., \$198,307 (8,996 doz., \$96,296).

Pyjamas.—Total, 7,081 doz., \$56,118 (11,227 doz., \$69,957): Hongkong, \$39,013; Canada, 548 doz., \$9,705 (403 doz., \$2,594).

Men's Shorts and Vests.—Total, 38,708 doz., \$83,278 (63,442 doz., \$121,332): Hongkong, \$52,359; Canada, 6,577 doz., \$23,649 (3,862 doz., \$15,101).

Other Undergarments, not including Hosiery.—Total, \$45,673 (\$67,617): Canada \$22,467 (\$18,753).

Leather Boots, Shoes, etc.—Total, 37,934 doz. pr., \$782,032 (41,777 doz. pr., \$706,067): Great Britain, \$259,036; Canada, 22,346 doz. pr., \$488,881 (15,059 doz. pr., \$231,124).

Hats, Caps, etc.—Total, 35,167 doz., \$247,319 (30,970 doz., \$244,633): Great Britain, \$114,547; Canada, 11,674 doz., \$106,482 (4,230 doz., \$39,790).

Cotton Hosiery.—Total, 18,257 doz. pr., \$36,918 (21,334 doz. pr., \$32,048): Canada, 10,806 doz. pr., \$23,296 (9,084 doz. pr., \$18,441).

Silk Hosiery.—Total, 7,133 doz. pr., \$49,285 (9,692 doz. pr., \$65,908): Canada, 7,003 doz. pr., \$48,255 (8,972 doz. pr., \$62,117).

Artificial Silk Hosiery.—Total, 43,656 doz. pr., \$87,535 (47,921 doz. pr., \$85,650): Hongkong, \$24,095; Canada, 19,295 doz. pr., \$51,575 (15,449 doz. pr., \$38,622).

Artificial Silk Underwear.—Total, 15,214 doz., \$41,946 (15,763 doz., \$32,981): Canada, 7,973 doz., \$29,939 (4,103 doz., \$15,021).

Fancy Knitted Wear, Pullovers, Bootees, etc., of Cotton.—Total, \$13,342 (\$6,469): Canada, \$10,147 (\$2,476).

Fancy Knitted Wear of Wool.—Total, \$12,506 (\$13,498): Canada, \$8,188 (\$5,986).

Neckties, Cravats, etc.—Total, 13,232 doz., \$43,978 (\$32,787): Great Britain, \$13,147; Canada, 9,450 doz., \$28,813 (\$16,240).

Apparel, n.o.p.—Total, \$158,324 (\$67,473): Great Britain, \$29,490; Canada, \$91,930 (\$23,621).

Calcium Carbide.—Total, 7,211 cwt., \$47,418 (5,495 cwt., \$31,635): Canada, 6,752 cwt., \$40,449 (3,720 cwt., \$19,785).

Disinfectants and Insecticides.—Total, 3,363 cwt., \$65,491 (3,337 cwt., \$68,255): United States, \$25,875; United Kingdom, \$16,846; Canada, 593 cwt., \$12,904 (289 cwt., \$7,245).

Fine Salt.—Total, 3,859 tons, \$83,208 (3,147 tons, \$62,237): Great Britain, \$28,150; British West Indies, \$20,627; Canada, 551 tons, \$18,323 (2 tons, \$99).

Chemical Manufactures, n.o.p.—Total, \$458,656 (\$439,990): Great Britain, \$277,503; United States, \$146,118; Canada, \$33,725 (\$11,668).

Medicinal Oils.—Total, \$26,812 (\$25,422): Great Britain, \$5,257; Canada, \$16,015 (\$8,863).

Medicinal Spirits, n.o.p.—Total, 11,625 gal., \$103,057 (8,795 gal., \$66,235): British Guiana, \$27,914; Great Britain, \$17,608; Canada, 4,405 gal., \$43,289 (1,645 gal., \$14,142).

Proprietary Medicines.—Total, \$309,815 (\$243,308): United Kingdom, \$96,405; United States, \$46,475; Canada, \$153,914 (\$49,377).

Drugs and Medicinal Preparations, n.o.p.—Total, \$50,535 (\$47,067): Great Britain, \$23,133; United States, \$7,083; Canada, \$12,169 (\$10,891).

Barytes.—Total, 459,060 cwt., \$585,858 (557,600 cwt., \$890,386): United States, \$129,988; Cuba, \$277,454; Canada, 146,320 cwt., \$178,416 (nil).

White Lead.—Total, 1,204 cwt., \$16,737 (1,560 cwt., \$8,001): Canada, 756 cwt., \$10,603 (458 cwt., \$754).

Paints.—Total, 10,207 cwt., \$205,882 (9,157 cwt., \$160,033): Great Britain, \$126,062; Canada, 3,573 cwt., \$78,292 (1,108 cwt., \$24,153).

Enamels.—Total, 1,065 cwt., \$43,249 (648 cwt., \$25,770): Great Britain, \$10,074; Canada, 721 cwt., \$29,006 (277 cwt., \$11,643).

Dry Distemper.—Total, 1,663 cwt., \$23,013 (546 cwt., \$6,661): Great Britain, \$13,688; Canada, 508 cwt., \$9,325 (101 cwt., \$1,746).

Varnish and Lacquer.—Total, 19,475 gal., \$49,063 (13,916 gal., \$34,532): Great Britain, \$17,072; Canada, \$30,898 (\$14,474).

Painters' Colours, n.o.p.—Total, 3,092 cwt., \$41,309 (6,861 cwt., \$86,706): Great Britain, \$31,100; Canada, 563 cwt., \$10,209 (345 cwt., \$5,963).

Lubricating Grease.—Total, 8,905 cwt., \$78,392 (2,036 cwt., \$17,818): United States, \$61,863; Canada, 917 cwt., \$9,300 (229 cwt., \$1,810).

Lubricating Oil.—Total, 821,338 gal., \$454,714 (385,004 gal., \$205,890): United States, \$369,354; Netherlands West Indies, \$32,109; Canada, 102,980 gal., \$50,465 (42,427 gal., \$19,478).

Laundry Soap.—Total, 26,693 cwt., \$180,414 (36,377 cwt., \$227,807): Great Britain, \$168,052; Canada, 1,583 cwt., \$12,362 (808 cwt., \$5,389).

Toilet Soap.—Total, 3,076 cwt., \$83,213 (3,787 cwt., \$88,818): Great Britain, \$47,834; Canada, 1,503 cwt., \$35,125 (1,752 cwt., \$35,836).

Abrasive Soap.—Total, 1,940 cwt., \$21,490 (807 cwt., \$8,012): Great Britain, \$11,032; Canada, 892 cwt., \$10,077 (209 cwt., \$1,626).

Powder and Flake Soap.—Total, 951 cwt., \$16,550 (362 cwt., \$6,057): Great Britain, \$10,434; Canada, 367 cwt., \$6,002 (33 cwt., \$275).

Turpentine and Substitutes.—Total, 567 cwt., \$9,769 (658 cwt., \$17,184): Canada, 306 cwt., \$5,844 (142 cwt., \$3,047).

Dressed Leather.—Total, 145,639 sq. ft., \$40,222 (144,516 sq. ft., \$37,583): Great Britain, \$10,001; Canada, 53,502 sq. ft., \$19,155 (31,823 sq. ft., \$11,240).

Trunks, Bags and Wallets.—Total, \$100,096 (\$46,292): Great Britain, \$28,999; Canada, \$64,093 (\$15,682).

Printing Paper.—Total, 13,664 cwt., \$58,914 (25,926 cwt., \$122,154): Great Britain, \$6,857; Canada, 13,132 cwt., \$51,292 (20,347 cwt., \$82,566).

Packing and Wrapping Paper, Unglazed.—Total, 22,038 cwt., \$180,055 (18,789 cwt., \$148,019): Canada, 19,383 cwt., \$147,743 (10,015 cwt., \$75,741).

Stationery.—Total, 4,050 cwt., \$165,901 (7,309 cwt., \$180,725): Great Britain, \$94,393; Canada, 1,829 cwt., \$57,430 (2,308 cwt., \$37,440).

Paper Bags.—Total, 9,121 cwt., \$122,461 (11,383 cwt., \$114,625): United States, \$16,268; Canada, 6,988 cwt., \$94,071 (7,344 cwt., \$73,239).

Boxes and Cartons.—Total, 5,354 cwt., \$77,826 (4,415 cwt., \$69,402): Great Britain, \$13,826; Canada, 4,407 cwt., \$57,881 (1,590 cwt., \$15,661).

Cardboard, Millboard, etc.—Total, 2,016 cwt., \$26,523 (2,941 cwt., \$23,829): Canada, 766 cwt., \$14,745 (124 cwt., \$891).

Wallboard, not exceeding $\frac{1}{4}$ Inch Thickness.—Total, 1,693 cwt., \$13,779 (992 cwt., \$8,332): United States, \$5,968; Canada, 959 cwt., \$7,811 (164 cwt., \$1,362).

Wallboard, exceeding $\frac{1}{4}$ Inch Thickness.—Total, 10,817 cwt., \$89,090 (8,671 cwt., \$69,199): Canada, \$89,090 (\$64,222).

Paper Manufactures, n.o.p.—Total, 8,663 cwt., \$205,147 (9,671 cwt., \$190,895): United States, \$16,431; Great Britain, \$78,688; Canada, 6,239 cwt., \$108,267 (3,729 cwt., \$59,232).

Railway Carriages and Wagons and Trucks Complete.—Total, 794 tons, \$124,000 (348 tons, \$264,175): United States, \$32,793; Canada, 580 tons \$91,207 (346 tons, \$256,879).

Motor Cars, not exceeding 3,000 Pounds in Weight.—Total number, 95, \$66,624 (435, \$340,016): Great Britain, \$36,293; Canada, 27, \$23,681 (156, \$144,168).

Motor Cars, exceeding 3,000 Pounds in Weight.—Total number, 467, \$491,591 (124, \$131,019): Canada, 464, \$489,091 (108, \$114,726).

Lorries and Vans.—Total number, 133, \$194,423 (176, \$135,670): United States, \$93,233; Canada, 118, \$101,190 (131, \$99,004).

Ambulances, Omnibuses, Station Wagons, etc.—Total number, 53, \$59,796 (22, \$38,665): Great Britain, \$39,195; Canada, 16, \$17,934 (11, \$16,657).

Rubber Outer Tires.—Total number, 19,619, \$338,571 (12,403, \$195,008): Great Britain, \$45,880; Canada, 16,675, \$283,685 (8,548, \$133,268).

Inner Tubes.—Total number, 18,057, \$37,194 (8,942, \$18,294): Canada, 14,321, \$28,790 (6,219, \$12,659).

Chassis, with or without Engines and Lights.—Total number, 564, \$546,850 (215, \$200,681): Canada, 563, \$545,229 (211, \$196,768).

Motor Car Parts, n.o.p.—Total, \$262,746 (\$194,001): United States, \$115,409; Canada, \$101,041 (\$52,440).

Boots and Shoes with Rubber Soles.—Total, 25,485 doz. pr., \$161,078 (28,600 doz. pr., \$164,229): India, \$46,075; Canada, 9,071 doz. pr., \$92,900 (9,107 doz. pr., \$92,590).

Rubber Manufactures, n.o.p.—Total, \$134,404 (\$109,546): United States, \$54,892; Great Britain, \$33,070; Canada, \$46,045 (\$28,878).

Household Brooms and Brushes.—Total, 17,184 doz., \$29,026 (8,379 doz., \$14,145): Great Britain, \$9,626; Canada, 8,021 doz., \$19,333 (1,273 doz., \$5,645).

Toilet Brooms and Brushes.—Total, 28,446 doz., \$37,483 (13,466 doz., \$15,641): Great Britain, \$14,142; Canada, 11,377 doz., \$18,926 (1,477 doz., \$4,495).

Paint Brushes.—Total, 3,989 doz., \$17,317 (3,092 doz., \$11,466): Great Britain, \$9,738; Canada, 2,349 doz., \$7,334 (725 doz., \$1,887).

Brushes, n.o.p.—Total, 5,290 doz., \$22,579 (6,267 doz., \$20,483): Great Britain, \$15,549; Canada, 1,266 doz., \$5,349 (825 doz., \$3,149).

Felt Roofing.—Total, 3,654 cwt., \$16,521 (6,833 cwt., \$30,341): Canada, 2,210 cwt., \$9,436 (40 cwt., \$187).

Fertilizers (Sulphate of Ammonia).—Total, 6,067 ton, \$362,075; (10,133 ton, \$44,507): United States, \$262,861; Canada, 1,625 ton, \$99,214 (1,300 ton, \$50,534).

Other Artificial Fertilizers.—Total, 2,516 ton, \$138,996 (51 ton, \$2,657): Chile, \$98,400; Canada, 500 ton, \$39,107 (1 ton, \$69).

Leather Cloth and Oil Cloth.—Total, 137,576 sq. yd., \$29,354 (102,453 sq. yd., \$20,726): Great Britain, \$13,476; Canada, 89,363 sq. yd., \$15,878 (84,195 sq. yd., \$15,395).

Hard Haberdashery.—Total, \$64,440 (\$26,166): Great Britain, \$18,082; Canada, \$39,381 (\$13,083).

Jewellery of Gold, Platinum and Silver.—Total, \$49,133 (\$27,124): Great Britain, \$30,491; Canada, \$17,937 (\$5,691).

Spoons and Forks.—Total, 11,055 doz., \$24,801 (5,660 doz., \$16,176): Great Britain, \$15,038; Canada, 5,117 doz., \$9,732 (1,227 doz., \$3,151).

Lamps and Lanterns.—Total number, 30,131, \$18,175 (16,233, \$10,695): United Kingdom, \$6,867; Canada, 4,333, \$9,129 (5,895, \$2,458).

Machinery Belting, Other than Leather.—Total, \$31,403 (\$18,779): Canada, \$20,696 (\$3,236).

Radio-gramophones.—Total number, 69, \$10,390 (94, \$6,907): Canada, 52, \$8,241 (nil).

Solid Cosmetics.—Total, \$183,716 (\$136,432): Great Britain, \$68,927; Canada, \$111,165 (\$39,947).

Leather Polishes.—Total, 1,261 cwt., \$41,145 (1,209 cwt., \$34,632): Great Britain, \$24,950; Canada, 662 cwt., \$14,854 (443 cwt., \$6,596).

Floor and Furniture Polishes.—Total, 1,108 cwt., \$33,828 (599 cwt., \$17,278): Great Britain, \$19,499; Canada, 376 cwt., \$13,683 (60 cwt., \$2,112).

Polishes, n.o.p.—Total, 583 cwt., \$9,767 (506 cwt., \$7,613): Canada, 407 cwt., \$6,626 (228 cwt., \$4,039).

Perfumed Spirits.—Total, 9,141 gal., \$60,356 (5,971 gal., \$43,501): British Guiana, \$28,626; Great Britain, \$17,267; Canada, 663 gal., \$12,921 (369 gal., \$6,777).

Stationery, Other than Paper.—Total, \$69,447 (\$64,879): Great Britain, \$26,010; United States, \$12,931; Canada, \$29,004 (\$19,087).

Toys of All Kinds.—Total, \$45,813 (\$32,370): Great Britain, \$23,165; Canada, \$19,511 (\$11,516).

Goods, Manufactured, n.o.p.—Total, \$432,717 (\$227,591): United States, \$126,391; Great Britain, \$87,689; Canada, \$178,822 (\$45,842).

Following is a list of selected items which Canada supplied to a value of less than \$5,000; total values of imports are shown, with Canada's share within parentheses:—

Foodstuffs.—Dried beans and peas, \$209,515 (\$2,322); bran and pollard, \$21,397 (\$3,048); dead poultry, \$87,823 (\$3,372); bottled stout, \$59,396 (\$4,092); whisky, \$150,591 (\$2,614); still wine, \$44,974 (\$3,678); dried fruit, \$67,149 (\$1,639); mustard, \$7,101 (\$4,156); vinegar, \$6,038 (\$3,515); cigarettes manufactured wholly or partly from foreign-grown tobacco, \$68,059 (\$3,558).

Manufactured Products.—Scientific glassware, \$14,574 (\$1,153); milk bottles, \$3,386 (\$1,200); asbestos sheets, etc., \$44,683 (\$4,374); type metal, \$4,766 (\$2,990); printing type, \$4,041 (\$2,213); cutlery, \$18,384 (\$4,255); safety razors, \$6,300 (\$4,438); sugar-making and refining machinery, \$128,374 (\$4,129); rope and twine under $\frac{1}{4}$ inch diameter, \$12,621 (\$3,042); linoleum, \$7,166 (\$2,348); oilcloth, \$4,105 (\$3,246); pianos, complete, \$6,999 (\$1,192); gramophones, complete, \$7,787 (\$3,716); metal polishes, \$13,324 (\$1,307); balls, other than tennis and golf, \$41,488 (\$2,488).

SCOTTISH INDUSTRIAL NOTES

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

SHIPBUILDING AND ENGINEERING

Glasgow, February 22, 1943.—No figures of output of new tonnage are published in time of war, but it is estimated that the production of new merchant ships in the Clyde yards in 1942 exceeded any previous record, and it is expected that the output this year will be even greater. The excellent results achieved have been made possible by close co-operation between managements and employees, and would have been even better had more men and material been available. Man-hours lost by strikes have been negligible, and official returns for 1942 show a steady decline in absenteeism in the shipyards, the latest figure being 3·4 per cent.

The Ministry of Supply's new locomotive building program, the largest ever undertaken in this country, is well under way. A substantial part of the work is being done by the North British Locomotive Company of Glasgow, and the first unit was completed recently. It is described as of the "austerity" type, because it is devoid of the customary refinements, for which neither materials, labour nor time can be spared. This first engine was built in record time, its assembly, after the manufacture of the 16,000 parts in six weeks, having taken ten days.

IRON AND STEEL

The iron and steel plants in the West of Scotland continue to be taxed to capacity, mainly to meet urgent government war requirements. Rolling mills supplying plates and sections to the shipyards have booked orders for many months to come, and there has been a sharp increase in the demand from the locomotive works, which are a highly important industry in Glasgow, for material from the steel plants for carrying out their extensive program of locomotive (war model) construction for the Ministry of Supply, referred to above.

The armaments and munition factories continue to increase their unprecedented demands on the steel mills. High-grade steel is in strong demand for engineering purposes, also special alloy steel for aeroplane parts and other purposes. As a result of the increasing demands for steel, some of the steel-makers have been obliged to make additions to their plants. Sheet-makers and re-rollers are busy on government orders. The general level of prices remains unaltered.

UNITED STATES LUMBER SITUATION

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, March 24, 1943.—During the past year the lumber industry in the United States has felt the full impact of this country's extensive war program. This is reflected in the consumption of 37,869,000,000 feet of lumber, the largest since 1929, when it totalled 35,831,000,000 feet. In order to meet essential requirements, the Government has had to issue a series of limitation orders that have virtually eliminated the use of lumber for non-war construction; there has also been a shift in the demand for lumber for construction materials to specialty and quality items. Production was approximately 31,748,000,000 feet, while retail stocks were reduced by 1,928,000,000 feet and mill stocks by 2,495,000,000 feet. The increased demand for lumber was accompanied by a substantial rise in prices.

PRODUCTION

According to a recent report of the Lumber Survey Committee to the Department of Commerce, domestic lumber production in the United States in 1942 was estimated at 31,748,000,000 feet, or 4 per cent below the 1941 production of approximately 33,071,000,000 feet. Softwood production was placed at 26,457,000,000 feet as compared with the recorded 1941 production of 27,977,000,000 feet, a decline of 5.4 per cent, while hardwood lumber production was estimated at 5,291,000,000 feet as against 5,511,000,000 feet in 1941, a decrease of 4 per cent.

Lumber shipments in 1942 were estimated at 34,410,000,000 feet as against 34,086,000,000 feet in the previous year and consisted of 28,539,000,000 feet of softwoods and 5,862,000,000 feet of hardwoods. Total shipments for 1942 exceeded production by 8 per cent, while in the previous year the excess was only 2 per cent.

LUMBER STOCKS

Retail lumber stocks at the close of 1942 were placed at 4,687,000,000 feet, a decline of 1,928,000,000 feet, or 29 per cent, from the stocks on hand on December 31, 1941. The greatest reduction took place during the second and third quarters of 1942. However, in the last few months the rate of decline fell rapidly, and stocks at the close of December were only 1 per cent below those at the end of November.

Mill stocks of lumber on December 31, 1942, amounted to 4,481,000,000 feet, a decrease of 36 per cent from the stocks of 6,976,000,000 feet on December 31, 1941. Total softwood mill stocks were at 3,049,000,000 feet as compared with the 1941 mill stocks of 4,974,000,000 feet, a decline of 39 per cent. Hardwood mill stocks amounted to 1,432,000,000 feet as compared with 2,002,000,000 feet a year ago, a decrease of 28 per cent. All the softwood areas reported declines ranging from 25 to 50 per cent, while all the hardwood districts showed declines ranging from 7 to 38 per cent.

Unfilled orders for all lumber on December 31, 1942, were 3,379,000,000 feet, or 25 per cent greater than those on December 31, 1941. Thus unfilled orders for all lumber were 75 per cent of gross stocks, while at the end of 1941 they represented only 39 per cent of gross mill stocks. Softwood unfilled orders were 88 per cent and hardwood unfilled orders 49 per cent of gross stocks.

PRICES

The United States Bureau of Labor Statistics reports that the lumber wholesale price index (1926 equals 100) of construction lumber for 1942 was 133.3 as compared with 129.4 for December, 1941. The Southern hardwood

price index, a weighted average of No. 2 common and better grades, was reported by the Southern Hardwood Producers at \$41.99 in December, 1942, as against \$40.87 for December, 1941. The average West Coast lumber price received for shipments in December, 1942, was \$37.73 as against \$37.91 in the previous month and \$32.45 in December, 1941.

CONSUMPTION

During 1942 the principal consumers of lumber were the building and construction industry, furniture, manufacturing, boxing and crating, the railroads, and the shipbuilding industries. However, it was noted that the demand for lumber is shifting from the great volume of construction materials to specialty and quality items and to materials for containers, crating and shipping. This shift is attributed to the following factors: (1) controlled and curtailed construction program, (2) greatly expanded shipbuilding and aircraft-building programs, (3) large requirements for packaging and shipping war supplies, and (4) increasing lend-lease lumber requirements.

The requirements of the United States Army indicate the nature of this conversion. In 1942 about 50 per cent of the lumber requirements were for dimension stock; in 1943 they will be about 10 per cent. Demand for special timbers and cuttings in the past year was about 10 per cent, whereas in 1943 they will be about 40 per cent; while the demand for boards in 1942 was 35 per cent, it is expected to be 50 per cent in 1943.

United States lumber consumption, including exports, for 1942 was estimated at 37,869,000,000 feet as compared with 34,927,000,000 feet in the previous year, a gain of 8.3 per cent. Although the 1942 consumption was about 20 per cent in excess of production, this gap was filled by using lumber inventories and by imports.

BUILDING INDUSTRY

According to the Department of Commerce, preliminary estimates of new construction in the United States for 1942 reached 13.6 billion dollars, exceeding the 1941 amount by 2.5 billion dollars and being the largest volume of building ever recorded in the United States. Military and naval, with industrial construction, comprised 82 per cent of new public construction for the year and 64 per cent of all new construction in the United States. On the other hand, there has been a continuous decline in new private construction. Accompanying the large expansion of military and industrial construction were successive limitation orders issued during 1942, which practically eliminated all non-war construction. The War Production Board estimates that the building industry in 1942 consumed about 21,211,000,000 feet of lumber.

OTHER WOOD-USING INDUSTRIES

Although the railroads used approximately 48,650,000 wooden cross ties in 1942, the largest number for any year since 1931, they found it difficult to obtain supplies. Tie production in 1942 was more than 20 per cent below that of 1941. In addition the restrictions imposed by the Fir Limitation Order L-218 have resulted in a substantial reduction of cross-tie and switch-tie production on the West Coast. The railroads placed 63,009 new freight cars in service during the past year, a reduction of 22 per cent from the number for 1941.

Shipments of furniture from the factories in 1942 were 2 per cent less than the record 1941 shipments. At the close of the year there was a large backlog of orders, those unfilled being 50 per cent greater than a year ago. While many of the larger manufacturers and some of the smaller ones have converted their plants to the production of war materials, those still manufacturing furniture have more business than they can take care of in the near future.

Shipments of boxes and shooks in 1942 exceeded those of 1941 by 25 per cent. Due to the prohibition of metal-casket manufacturing since July 1, 1942, the consumption of lumber by the casket industry has increased by 20 per cent, to 180,000,000 feet, over the total for the previous year. Shipments of caskets also recorded a 20 per cent increase over the number recorded for 1941. The demand for oak, maple, beech and birch flooring showed a decline during the past year and was accompanied by a reduction of 37 per cent in the production of oak flooring and 14 per cent in that of maple, beech and birch flooring. Consumption of oak flooring was about 410,000,000 feet and of maple flooring about 110,000,000 feet.

OUTLOOK

Lumber requirements for 1943 are estimated at 31,000,000,000 feet, considerably less than the 1942 estimates. Due to the shift in demand for lumber from construction materials to specialty and quality items, the 1943 requirements will be more difficult to meet than those of 1942. However, the anticipated lower requirements will not reduce the difficulties of sustained production. Lumber still remains an essential material. The labour shortage remains unsolved, and at the beginning of 1943 there was a manpower deficiency of 15.5 per cent for the industry as a whole.

While a controlled and curtailed building program is in prospect for the duration of the war, the construction industry will remain the largest consumer of lumber in 1943. War-housing construction standards have been relaxed to permit of a greater use of lumber. The War Production Board has just issued a report estimating that the construction industry will use 10,800,000,000 feet in the current year.

The box and crating industries will be among the largest consumers of lumber in 1943. The War Production Board indicates that the consumption of lumber for boxing, crating and shipping will be about 11,500,000,000 feet or 37 per cent of the total estimated lumber requirements. These demands are the result of large overseas exports of war materials, including food and lend-lease shipments. The demand for lumber for shipbuilding will remain heavy throughout 1943.

While there may be a further increase in the demand for lumber by the casket-manufacturing industry, little change is expected in the demand for oak, maple, beech and birch flooring and in that for lumber by other wood-using industries.

TARIFF CHANGES AND TRADE REGULATIONS

United Kingdom

BUDGET INCREASES DUTIES ON TOBACCO AND LIQUORS

The Canadian Trade Commissioner in London cables that the United Kingdom budget, introduced on April 12, proposes increased duties on tobacco, spirits, beer, and wine, effective as from April 13.

The new basic full duty on non-Empire tobacco is £1 15s. 6d. per pound, and the British preferential tariff, accorded to Empire-grown tobacco is £1 13s. 11½d. per pound. The former basic full duty was £1 9s. 6d. per pound, and the British preferential rate was £1 7s. 5½d. The basic rates are those applicable to unmanufactured tobacco, unstripped, containing 10 per cent or more by weight of moisture. Rates on other classes of tobacco, including manufactured, are increased proportionately.

ORDINARY CHEESE RATION REDUCED

Mr. G. R. Paterson, Animal Products Trade Commissioner for Canada in the United Kingdom, cables that the Ministry of Food has announced a further

reduction in the cheese ration to ordinary consumers. The weekly ration, which was reduced from 6 ounces to 4 ounces on February 7, will become 3 ounces, effective as from May 2. Catering establishments will be cut proportionately, but workers and others in special classes will retain their present ration of 12 ounces per week.

Newfoundland

FOOD EXPORTS TO CERTAIN DESTINATIONS PROHIBITED

An Order of the Secretary to the Commission of Government in Newfoundland, dated March 27, 1943, states that the export of all food and food products from Newfoundland to the Islands of Martinique, Guadeloupe, and St. Martin is prohibited until further order. This prohibition is by virtue of powers conferred on the Governor in Commission by the Customs (War Powers) Act, 1939.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 12, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 12, 1943, and for the week ending Monday, April 5, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 5	Nominal Quotations in Montreal Week ending April 12	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2677	.2682	—
Brazil. Milreis (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5862	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

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Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

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Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

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New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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FOREIGN EXCHANGE CONTROL BOARD RULING: PAYMENTS FOR OCEAN FREIGHT

The Foreign Exchange Control Board has issued a revised "Ruling Respecting Ocean Freight and Services Rendered to Vessels," dated April 12, 1943, which supersedes a previous ruling dated July 28, 1942.

The principal change effected by the new ruling is that certain payments of ocean freight which the Board has heretofore required to be made in registered sterling need no longer be made in that manner. Instead, Canadian exporters and importers may make payment in United States dollars to residents of the United States for ocean freight on exports and imports via United States ports. This change in procedure, which is designed to simplify routine for exporters and importers, has been made possible by arrangements which the Board has made through the Bank of England whereby the principle is maintained that the United States dollar cost of certain freight payments will continue to be borne by the sterling area without it being necessary for Canadian residents to purchase registered sterling.

Further information may be obtained from any chartered bank, or copies of the ruling may be obtained from the Foreign Exchange Control Board, Ottawa.

APR 28 1943

CONDITIONS IN THE UNION OF SOUTH AFRICA IN 1942

Cape Town, March 1, 1943.—Within the limits imposed by an increasing scarcity of materials and a higher degree of state supervision, business conditions in the Union of South Africa were active during 1942. The intensity of participation in the war has become greater, and production and services of a non-essential nature have been further curtailed. Gold production has been reduced slightly for the first time since 1935. Industries engaged in war work, as well as those operating for civilian requirements, have been well occupied, subject to certain raw-material shortages. Agriculture, which has had to cope with severe drought conditions, has been called upon to increase output to meet the greater demands for foodstuffs, which it has done with fair success. Money has been abnormally plentiful, with state revenues buoyant and bank clearings high. The budget position at the expiration of nine months of the current fiscal year was reasonably satisfactory, with the prospect that it might reach an approximate balance at the close of the period.

The speech from the throne at the opening of the House of Assembly on January 16, which briefly reviewed the past year, was devoid of any new or outstanding features. Reference was made to the problem of supply and the steps which had been taken to meet it by the appointment of controllers in respect of a wide range of goods, which organization, together with that of the Director-General of War Supplies, was now being merged in a single Directorate of Supply. It was further stated that the increased world demand for industrial diamonds had a favourable effect on the Union's diamond industry, and that special attention was still being given to the development of base metals, especially those required for war purposes, and that a state prospecting scheme had been inaugurated.

RETAIL TRADE

Retail trade has been brisk, although merchants have been experiencing a shortage of stocks, which they have been attempting to eke out as long as possible by shortening the hours of sale and limiting the quantities of goods made available to individual customers.

SOCIAL AND ECONOMIC PLANNING COUNCIL

Following a recommendation made by the Social and Economic Planning Council, the Government has appointed a Committee to report on the subject of Social Security, which has wide terms of reference. It is to examine existing social services, to recommend their improvement and extension, and to investigate the productive capacity of the Union and the possibility of its being increased and the general social background. The Committee is faced with a heavy task. South Africa is a relatively poor country; if the national income was divided pro rata among the population it would work out at £45 per head. Gold production will undoubtedly begin to fall off in the near future. The farm production is low, and social and racial problems are extensive and deep rooted.

LABOUR CONDITIONS

While unemployment, particularly among the white population, has ceased to be a problem, there has been growing labour unrest, which culminated in a number of strikes. During December a wave of strikes broke out on the Rand, involving 2,500 natives, in consequence of which the Government issued legislation, under the War Emergency Regulations, forbidding any further walk-outs and providing for arbitration in industrial disputes.

SECONDARY INDUSTRIES

Comprehensive information regarding the further growth of secondary industries is lacking, but progress has been steady, particularly in the field of war equipment. In the recently published report of the Industrial Development Corporation, mention was made of the fostering of the textile manufacturing industry and the purchase of a plant for the spinning of wool yarn. Attention is also being given to the possibilities of spinning and weaving of cotton.

CONSTRUCTION

Since ordinary building is possible only under licence and there is a shortage of materials, the building industry continues to be quiet, most activities being confined to defence projects or wartime essentials. As an indication of the position, returns from most of the larger centres of the Union for the month of November, 1942, show the value of building plans passed as being less than £200,000 as compared with £990,000 in November, 1941, £892,000 in the same month of 1939, and £1,400,000 in November, 1938.

In the past six months 1,940 building permits of a total value of £3,525,000 have been granted. These included government (£170,000), provincial (£535,000), municipal (£1,777,000), and private construction (£621,000). No application covering buildings valued at about £1,500 were refused, but in some cases the designs were changed, and builders were compelled to use South African materials where they were using too great a quantity of imported supplies.

GOLD PRODUCTION

Despite the many difficulties which beset the gold-mining industry during 1942, production by the Transvaal gold mines of 14,120,617 fine ounces is regarded as a noteworthy achievement; the decline from the 1941 level was 265,744 ounces. Up to the end of August the output was still ahead of that for the first eight months of 1941, but, with the increase in wartime difficulties, the figures for the last quarter showed a marked decline. The decrease in yield in 1942 was the first since 1935. From the peak of 11,553,564 ounces, which was reached in 1932 under gold-standard conditions, production contracted to 10,486,393 ounces in 1934 as a result of the adaptation of the industry to the new conditions. From 1934, with the assistance of new enterprises, the increase in production has been progressive up to and including 1941.

In common with other industries, the gold mines have been faced with the problem of obtaining essential supplies, which was intensified with the entrance of the United States into the war. It has been emphasized on various occasions that the Government regards the maintenance of gold production as a matter of paramount importance. Because, however, of the supply position, it became necessary early in 1942 for the industry to intensify its efforts to reduce consumption of equipment. In this drive for economy, development operations were drastically reduced, and big savings were effected, it being estimated, for instance, that the consumption of steel was reduced by approximately 40,000 tons. In addition, over 7,000 men have been released for war service, and mine workshops have made an important contribution to the production of munitions. The mining industry has also assisted the war effort by restricting or suspending the recruiting of native labour in certain areas where heavy demands were being made by the military authorities. As a result, in December, 1942, the number of natives employed was only 315,000 as against 352,000 twelve months previously.

As an indication of the importance of gold mining in the economic life of South Africa, it is estimated that it provides employment for nearly half the entire population. According to an official of the Chamber of Mines, for every

white man and native employed in the gold-mining industry at least nine others are indirectly but nevertheless totally dependent on it. Of a profit of £20,000,000 made by the mines during the first half of 1942, a total of £14,000,000 was paid to the Government in the form of taxation.

AGRICULTURAL CONDITIONS

The impossibility of importing foodstuffs on the same basis as before the war, coupled with a large increase in the consuming population, has thrown a heavy burden on South African agriculture, which resulted in the appointment of a Controller of Foodstuffs in the person of the Minister of Agriculture, as announced on March 17, 1942. An organization has since been built up covering production, purchasing, and the marketing and distribution of agricultural products, publicity, prices, feeds, fertilizers and cold storage arrangements. In addition control has been extended to cover agricultural machinery, implements and requisites and most other commodities required by the farming community.

The authorities have had to grapple with difficult conditions incidental to short crops caused by droughts and a greatly increased population. Stock-feeders have been severely handicapped by the withholding of grain supplies that are required for human consumption. Wheat farmers were assisted during the year with loans for the purchase of seed and with subsidies in order to encourage maximum production. Prices of rye, oats and barley have also been fixed. There have been renewed offers of subsidies for anti-erosion works, and new irrigation policies have also been formulated. Wheat-producers are now receiving 30s. 6d. per bag of 200 pounds for top-grade wheat, and the Minister of Agriculture has recently announced that he is prepared, if necessary, to further increase this price up to 40s. With a view to checking speculation in land, which threatened to assume serious proportions, the Union Government, early in the year, proposed a fixed property tax. To ease the growing shortage of labour, prisoners of war have been made available for farm work. The 1942-43 wheat crop in the South-Western Cape has been below normal, but this has been offset by heavier yields in the Orange Free State. Drought conditions unfavourably affected the maize production.

In addition to unfavourable climatic conditions, there has been a shortage of farm machinery and fertilizers, which has had a hampering effect on production. The whole situation is, however, receiving the close attention of the Food Control Organization, which has been able to do much to maintain equilibrium in the food supply.

RAILWAY TRAFFIC

According to the recently published report of the General Manager of Railways and Harbours for the year ending March 31, 1942, new records were established in respect of almost all classes of traffic carried. The amount of revenue-earning goods traffic handled established a new high figure for the third year in succession, with a total tonnage of 34,058,515 transported; this exceeded by 939,203 tons the previous record set up in the preceding twelve months.

Revenue from all sources aggregated £48,689,121, while expenditure amounted to £42,647,040, leaving a surplus of £6,042,081.

The high record of traffic and earnings continued throughout the remainder of 1942, and is imposing severe strain on rolling-stock and engine power, which it is not possible to augment. Consequently the elimination of some services and the placing of restrictions on travel have become necessary.

New records as regards harbour activities were also made, with an ever-increasing number of ships calling at Union ports for revictualling, coal or oil bunkering, and, in many cases, repairs. Apart from their normal activities, the railway workshops are undertaking special work for the military and naval authorities and the Director-General of War Supplies.

STATE FINANCES

Preliminary returns of government revenue for the nine months ended December 31, 1942, indicate receipts on revenue account of roughly £56,000,000, with expenditures for the same period totalling £73,387,000. There was thus an apparent deficit of about £17,386,000. This is, however, not necessarily a true reflection of the financial position as it is likely to emerge at the end of the fiscal year, because the credit received from income tax amounted to little more than £17,000,000, whereas for the whole period the receipts from this source are expected to be at least equal to the budget estimate of £28,120,000.

In addition there will be receipts from the special contribution of the gold mines from the excess profits tax and other miscellaneous sources. The only heading under which there has been a serious falling off of revenue is receipts from customs and excise, which is a direct result of the reduction in imports consequent upon the shipping position. The estimate of income from this source for the complete year was £18,178,000, while the receipts up to the end of December were only £12,815,000.

The estimate of expenditures for the current year was £88,450,000, and up to the end of December the actual expenditure was £73,387,000. If it continues at the same rate as in December the total outlay for the twelve months will be approximately £100,000,000. On this basis it would seem probable that the budget may come reasonably close to being balanced.

Defence expenditure for the current fiscal year will amount to roughly £80,000,000 in comparison with £2,000,000 three years ago.

A war bond issue, the lists for which closed on November 30, 1942, realized approximately £6,400,000 from 5,000 subscribers, and it has been announced that a new loan will be opened from February 1, 1943. According to the Minister of Finance, the income from war saving certificates is approximately £700,000 a month. Early in December an arrangement was made between the British Exchequer and the Union Treasury whereby Union loans held in the United Kingdom were repatriated to the extent of £39,000,000. The Union Treasury announced that the Reserve Bank would acquire the securities in question by the transfer of gold to the United Kingdom authorities. The Union Government will, as circumstances permit, acquire these from the Reserve Bank with a view to their ultimate cancellation, using for that purpose the proceeds of local loans subscribed to by individuals and public institutions.

The redemption of loans is regarded as an important step in this country's financial and economic development, as it will no longer be necessary to send gold overseas for the payment of debt charges. With the acquisition of the issues affected, only two South African Government bond issues will remain on the London market.

BANK CLEARINGS

The high level of general business activity is reflected in the returns of bank clearings in the seven larger business centres for the latter half of 1942. The total was £672,806,100, which compares with £655,811,642 for the preceding six months and £645,916,432 for the second half of 1941. The total for the year was £1,328,617,742 as against £1,192,696,827 for 1941, an increase of nearly £136,000,000. As compared with 1938, the last pre-war year, the increase exceeds £400,000,000.

The largest increase during the last half-year was at Johannesburg, where the figure is approaching that recorded during the stock exchange boom of 1937. At Cape Town the total of £90,695,115 surpasses the record set up in the preceding six months by over £5,500,000. The figure for the whole year was £175,887,917, which exceeds that for 1941 by £33,000,000.

STOCK MARKET

Fluctuations on the Johannesburg stock market during 1942 were governed by taxation measures as well as developments in the war theatres, and at the close of the period investors were expecting a substantial improvement. On balance, substantial losses have been suffered by holders of gold-mining shares. Slight gains were recorded by coal-mining shares and also in the financial section of the market. There were numerous improvements in the industrial list. Diamond mining did well, and the alluvial diamond undertakings experienced somewhat of a boom, although the outlook remains uncertain. Measured in terms of capital, however, the depreciation of gold-mining values more than offsets gains in other directions.

COST OF LIVING

The control of prices, the freezing of rents, and other measures designed to prevent inflation have been successful in keeping the rise in living costs within reasonable bounds. The retail price index, on the basis of 1,000 as the weighted average of the nine principal urban areas in the Union in 1938, stood at 1,236 in November, 1942, in comparison with 1,141 for December, 1941.

Owing to administrative difficulties in a country with a large native and rural population scattered over a wide area, the Government has been averse to the introduction of any form of coupon rationing. As a result, there has been some maldistribution and chronic shortages of certain commodities.

Effective April 1, the cost-of-living bonus was extended to all government employees in receipt of incomes up to £1,400 a year; previously the limit had been £600. Similar action was taken in respect of other salaried employees by a decree that became effective July 31, 1941.

FUTURE PROSPECTS

Thrown to an ever-increasing extent on its own resources and hampered by continuing internal and political difficulties, the Union of South Africa has had a difficult path to follow during 1942. That it has come through the period so well is a tribute to the soundness of the general position and the effectiveness of the steps the Administration has taken to meet the exigencies of wartime circumstances. The problem of supply will continue to be serious, although new sources are being tapped that are helpful. For instance, during the first eleven months of 1942 imports from Argentina into the Union had a value of £200,000, an increase of more than 400 per cent over the figure for the same period in 1941. Local production, while it will still further develop, is handicapped by difficulties in obtaining machines and materials that must be imported. The military victories in North Africa and elsewhere have had a good moral effect and have also strengthened the Government politically, so that the future can be faced with sober confidence, now that there are definite indications that a turning point in the war has been reached.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on April 19, regarding the wheat and flour situation in Australia, as follows:—

Australian wheat production for 1942-43 is now estimated at 158,400,000 bushels. There is no change in official wheat quotations. Flour shipments to Ceylon, the United Kingdom and the Middle East are at the same prices as reported in February cable.

MANPOWER RESTRICTIONS IN THE AUSTRALIAN GOLD-MINING INDUSTRY

FREDERICK PALMER, CANADIAN TRADE COMMISSIONER

Melbourne, March 8, 1943.—Since publication in *Commercial Intelligence Journal* No. 2019 (October 10, 1942), of a report on the application of restrictions on manpower employed in the gold mines of Australia, the increasing demand for manpower in the Commonwealth has necessitated a further investigation of the resources of non-essential Australian industry and of gold mining in particular.

In Australia this industry is not now considered to be directly essential to the war effort. It was investigated with the object of diverting every available man to urgent war tasks while preserving the nucleus of the industry and so far as possible ensuring the maintenance of mines in a condition that would permit of operations being resumed after the war.

As conditions varied considerably in the several states, different decisions had been reached in regard to them, but the general policy of securing a maximum of manpower, while maintaining the assets, has been applied.

WESTERN AUSTRALIA

In 1940 the number of men engaged in the gold-mining industry in Western Australia was about 15,000. By May, 1942, this number had been reduced to approximately 8,300, and by November, 1942, to about 4,500.

It was decided that the call-up for military and allied works service would proceed in the normal way to a point where approximately 4,500 men would be employed to maintain the mines. Aliens engaged in the industry were to be called up for allied works service simultaneously with men called up for the fighting services. The manpower position would be investigated after three months, i.e., towards the end of 1942; the Director-General of Allied Works could also call on the industry to provide labour for urgent works from the men retained. The Commonwealth Government would make a grant of £A100,000 to provide for the maintenance of certain mines that would have to close down completely.

The number 4,500 quoted above does not include about 700 in the Wiluna Gold Corporation and Moonlight Wiluna Gold Mines, which have been granted protection because, in addition to gold, they are producing antimony and arsenic, which metals are essential for Australian and Allied war purposes.

VICTORIA

In Victoria about 1,735 men were employed in gold mining in September, 1941, and in April, 1942, the number had fallen to 1,246. A committee representing all interested bodies was appointed to consider and report upon ways and means of using the manpower in the industry to the best effect in the war effort and at the same time maintain the assets in a safe condition with a minimum number of key men. According to the plan submitted by the Committee, it was suggested that a large number of mines be closed and that others which might become seriously damaged by rising water be permitted to continue in limited production but with considerably reduced staffs. The number of men in the industry in Victoria was thus reduced to about 480. It was subsequently decided that, in cases where flooding of the mines could not be permitted or where the maintenance staff could not produce sufficient gold to meet the cost of upkeep, the Government would meet reasonable maintenance costs. The Government undertook also to give consideration to the question of meeting the

cost of dewatering after the war such mines as may be allowed to become flooded.

OTHER STATES

Most of the output of gold in New South Wales and Queensland is produced in association with other metals, principally copper. It has been decided that, wherever possible, resources now used in the gold mining industry in New South Wales and Queensland should be diverted to base-metal production and that steps be taken to exempt from military service key and other grade men so diverted. In cases where gold mining only is carried on, action is to be taken to restrict work to that necessary to ensure the maintenance of the mine where this is required for the preservation of assets. This policy has been carried into effect, and there are only about four gold mines now operating in these states.

MACHINERY AND PLANT

As is the case in other non-essential industries, machinery, plant tools, etc. released from service by the closing or restriction of operations of gold mines may be acquired by the Department of Supply and Shipping if required for the production or development of strategic base metals, or by the Ministry of Munitions if required for essential purposes. So far as possible, however, plant is being kept intact so that operations may be promptly resumed after the war, and is only being taken over by the Government in cases where other suitable plant is unavailable.

UNITED STATES RECIPROCAL TRADE AGREEMENTS PROGRAM, 1943

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

New York, April 14, 1943.—The United States Trade Agreements Act of June 12, 1934, which has twice been extended by Congress for additional three-year periods, will expire on June 12 next. Further extension of this program will be considered by Congress.

The primary purpose of the Act which embodies the United States Trade Agreements Program is to expand foreign markets for products of this country sought through reciprocal adjustments of tariffs with foreign countries. The general objectives of the program are to give economic substance to the United States goodwill policy and to create such favourable international economic relations as will tend to ensure a durable peace.

OPERATION OF PROGRAM

Direct negotiation with other countries is the method prescribed by the Act, this method having been chosen as more effective for the general downward revision of the United States tariff. Specifically the Act empowers the President, in order to obtain from other countries concessions on United States exports, to modify United States tariff rates, to bind existing tariff rates against increase, and to guarantee continued duty-free entry of products now on the free list. It requires that trade agreements be concluded only after the President has sought the advice of the Departments of State, Agriculture, and Commerce, the Tariff Commission, and other appropriate agencies of the Government.

The United States, in negotiating a trade agreement, requests a foreign country to lower its tariff rates on United States exports or to liberalize quota or exchange restrictions on them.

MOST-FAVoured-NATION CLAUSE

The traditional trade policy of the United States is to extend equality of tariff treatment to all countries that do not discriminate against the trade of the

United States, and this policy is embodied in the Trade Agreements Act. Under it a lower rate of duty on a given product in a trade agreement with a foreign country (other than Cuba) applies also to the same product from any third nation, unless that third nation is found to discriminate against the products of the United States. This policy enables the United States to require other countries, as well as the other party to the trade agreement, to accord non-discriminatory treatment to United States exports.

RESULTS OF THE PROGRAM

The United States has concluded agreements with twenty-six foreign countries, which, in order of agreements signed, are as follows: Cuba, Brazil, Belgium and Luxembourg, Haiti, Sweden, Colombia, Canada, Honduras, the Netherlands, Switzerland, Nicaragua, Guatemala, France, Finland, Costa Rica, El Salvador, Czechoslovakia, Ecuador, the United Kingdom of Great Britain and Northern Ireland, Turkey, Venezuela, Argentina, Peru, Uruguay, and Mexico.

Trade agreements have been concluded with all the other American republics except Bolivia, Chile, the Dominican Republic, Panama, and Paraguay.

Over 65 per cent of the total foreign trade of the United States is carried on with the countries with which reciprocal trade agreements have been concluded. The United Kingdom and Canada are, respectively, the largest and second largest purchasers of United States exports. In addition, over 90 per cent of the trade of the United States with the other American republics is with the trade agreement countries.

TRADE INCREASES RESULTING FROM THE PROGRAM

The trade agreements program substantially increased United States foreign trade between the adoption of the program and the outbreak of the war in 1939, although other factors have, of course, affected the volume and the nature of United States trade.

The State Department announced in a recent bulletin that during the two-year period 1934-35 United States total foreign trade averaged 4.1 billion dollars per annum, while in the two-year period 1938-39, when 16 trade agreements were in effect, United States exports to the countries included in these agreements averaged nearly 63 per cent greater than in 1934-35 when only one agreement was in effect for a year or more.

Similarly United States imports from the 16 agreement countries averaged 21.6 per cent greater in 1938-39 than in 1934-35, while imports from other countries averaged only 11.1 per cent higher. These comparisons undoubtedly support the contention that reduction of tariffs and of other barriers to the exchange of United States goods for those of other nations has resulted in a substantial increase in United States foreign trade.

PROGRAM IN WAR AND PEACE

The existing trade agreements between the United States and the United Kingdom and Canada were entered into on January 1, 1939, while the agreement with Turkey took effect in May of the same year. During the war period five new agreements have become effective, with Venezuela, Argentina, Peru, Uruguay and Mexico, the latter two of which were brought into force during the current year. During this same period four supplementary agreements, two each with Canada and Cuba, were concluded.

It is natural that wartime trade controls, scarcity of shipping, and military considerations have become the dominating factors in foreign trade. It is hoped that the agreements provide insurance against a repetition of the isolationist policy and strong nationalism which after the war of 1914-18 brought about the

introduction of heavy trade barriers, and that the present program will provide a foundation for the resumption of mutually beneficial trade after the war, when agricultural and industrial products will be needed by so many countries.

The governments of the United Nations subscribing to the Atlantic Charter have agreed, after the war, "to further the enjoyment by all States, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity", and further affirmed their "desire to bring about the fullest collaboration between all nations in the economic field, with the object of securing for all improved labour standards, economic advancement and social security".

According to a recent statement of the Honourable Mr. Sumner Welles, Assistant Secretary of State, the present trade agreements program, if extended by Congress, will be one of the most effective means of applying, in co-operation with other countries, those agreed principles for the attainment of the economic basis of an enduring peace.

UNITED STATES CEILING PRICES FOR BLOCK AND CANADIAN BAG MAPLE SUGAR

W. D. WALLACE, OFFICE OF THE CANADIAN TRADE COMMISSIONER

New York, April 14, 1943.—With reference to the report entitled, "Ceiling Prices for Maple Syrup in the United States", published in *Commercial Intelligence Journal* No. 2038 (February 20, 1943), page 148, and which dealt with Maximum Price Regulation 312 (Maple Syrup) of the Office of Price Administration, Amendment No. 1 to MPR 312 has just been issued and becomes effective to-day.

This amendment, which will be of interest to Canadian exporters of bag maple sugar, places specific cents-per-pound maximum prices on block and Canadian bag maple sugar, and at the same time exempts edible maple sugar from price control. In addition, the amendment changes the title of the regulation to read "Maple Syrup and Maple Sugar".

Block and Canadian bag maple sugar is used by confectioners, syrup blenders, and the tobacco industry and constitutes by far the larger part of the maple sugar used annually in the United States. It is customarily sold in large lots; blocks of 60 pounds are common. Edible maple sugar is less than a \$500,000 item on the nation's sweet list.

MAXIMUM PRICES FOR CANADIAN BAG MAPLE SUGAR

The maximum prices established for these sugars by Amendment No. 1 are in line with those previously set by the Office of Price Administration for maple syrup. The maximum price for Canadian bag maple sugar at port of entry, duty included, shall be 27 cents per pound. Under the Canada-United States Trade Agreement, the rate of duty on Canadian maple sugar is 3 cents per pound.

MAXIMUM PRICES FOR BLOCK MAPLE SUGAR

The Office of Price Administration has established the following maximum prices for block maple sugar, f.o.b. producer's shipping point:—

United States Maximum Prices for Block Maple Sugar

	Cts. per Lb.
Fancy, 2,000 lbs. or less	36
Fancy, over 2,000 lbs. but less than 40,000 lbs.	35
Fancy, 40,000 lbs. or over but less than 250,000 lbs.	34
Fancy, 250,000 lbs. and over	33
Blended, 2,000 lbs. or less	34
Blended, over 2,000 lbs. but less than 40,000 lbs.	33
Blended, 40,000 lbs. or over but less than 250,000 lbs.	32
Blended, 250,000 lbs. and over	31

PRODUCTION OF DALMATIAN SAGE AS A TEA SUBSTITUTE IN CALIFORNIA

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, March 22, 1943.—Foreseeing the possibility of a tea shortage, a California corporation in 1941 began the experimental cultivation of Dalmatian sage on their farmlands in Arcadia, California. In 1942 a small commercial plot was planted with such encouraging results that about 50,000 additional plants have since been set out. Furthermore this organization has undertaken to have a number of other farmers produce crops of Dalmatian sage under contract, and it is expected that as much as fifty tons of this product will be available for marketing during 1943.

California-grown Dalmatian sage, when brewed like ordinary tea, makes an excellent beverage. Sage tea is said to have not only a pleasing taste and a delightfully fragrant aroma but also therapeutic values that have long been recognized. It contains no caffeine and, served either hot or iced, is a refreshing drink. Sage tea is really not new, having been used for many years in the Balkan countries in Europe and in rural America. The Chinese have used it extensively for centuries.

California-grown Dalmatian sage (*Salvia officinalis*) must not be confused with the native wild sages that grow in California and other states and which have an objectionable camphor-like taste.

Dalmatian sage is universally known and used as a condiment in poultry dressings and in sausage manufacture, but its use as tea is growing, largely as a result of the shortage of Indian and other commercial teas. The California corporation is planning to pack this tea in small packages for retail sale by the grocery trade.

CONDITIONS IN NORTHERN RHODESIA

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, March 12, 1943.—General business activity in the European section of trade continues fairly well but trade in the native section is dull. European demand is keen but difficulties are being experienced in regard to supplies of imported goods. The fact that traders in this territory depend largely upon wholesale stocks in Southern Rhodesia and the Union of South Africa, rather than on imports direct from overseas, has made the supply position more precarious than it might have been. The stock position of many classes of goods is likely to become exceedingly weak during 1943, and the Government is therefore trying to obtain the greatest possible co-operation with the Governments of Southern Rhodesia and South Africa.

MINING

Economically Northern Rhodesia is dependent almost entirely on the more important production of copper and the lesser production of zinc and vanadium; these comprise 90 per cent of total exports. Production figures are not published under wartime conditions, but it is known that capacity has been extended and more workers are employed. There is no doubt, therefore, that output is greater and prices are higher.

GOVERNMENT FINANCES

The wartime demand for base metals has brought about a striking change in government finance. Shortly before the outbreak of war the annual revenue was less than £1,000,000; in 1942 it was nearly £3,000,000. It has been estimated that the surplus balance and reserve fund would exceed £3,000,000 at the end of

1942. The importance of a reserve fund is obvious in a country so dependent on the mining of a few metals.

AGRICULTURE

The only export crop is tobacco, which is grown in one comparatively small area. About two and a third million pounds were sold at auction; this was well above average, and prices too were well above pre-war levels. Maize prospects have improved with recent rains but, as these came later than usual, the size of the crop may have been affected adversely.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should

consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

CONTROL OF EXPORTS FROM CANADA

ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 2862, effective April 15, 1943, the following commodities are added to the list of those the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

Group 2: Animals and Animal Products—

- Cod, dried, salted or pickled.
- Cusk, dried, salted or pickled.
- Haddock, dried, salted or pickled.
- Hake, dried, salted or pickled.
- Herrings, Atlantic, salted.
- Pollock, dried, salted or pickled.
- Mackerel, salted or pickled.
- Fish, Atlantic, n.o.p., dried, salted or pickled.

Group 4: Wood, Wood Products and Paper—

Cooperage stock: Barrel headings, hoops and staves, in the rough or manufactured.

Group 7: Non-Metallic Minerals and their Products—

Lime, n.o.p.

By Export Permit Branch Order No. 69, also effective April 15, 1943, exemptions on the following are cancelled, and they now require an export permit before being shipped to any destination:

- Herring, Atlantic, pickled, of a grade or quality known as "tropics",
- Herring, Atlantic, bloaters.

(Note.—This cancels the footnote re "tropics" and bloaters on page 21 of the Fifth Revision of the Export Permit Regulations.)

Exporters in Nova Scotia or Prince Edward Island should submit applications for permits to export to the United States or any part of the British Empire any of the fish mentioned in the above two Orders to W. Stanley Lee, Prices and Supply Representative, Wartime Prices and Trade Board, Halifax, N.S., who will issue permits on behalf of the Minister of Trade and Commerce. All other applications should be made to the Export Permit Branch.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to April 3, 1943:

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to April 3, 1943 Quantity	Per Cent
Whole milk.	Gal.	3,000,000	6½ to 3¼c. per gal.	1,306	....
Cream	Gal.	1,500,000	56½ to 28¾c. per gal.	146	....
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish.	Lb.	15,000,000	2½ to 1¼c. per lb.	2,179,054	14.5
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	949,383	63.2
White or Irish potatoes, other than seed potatoes.	Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of February; 37½c. Mar. 1 to Nov. 30 Free	9,724	0.9
Red cedar shingles.	Sq.	2,506,072		376,132	15.0
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins. . . .	No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	30,746	30.7
Tails.	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462	9.2

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

TARIFF CHANGES AND TRADE REGULATIONS

British India

EXEMPTION FROM DUTY OF GOODS FOR MILITARY HOSPITALS

A notification issued by the Government of India on December 12, 1942, exempts from customs duties goods imported by the Red Cross Commissioner for India and certified to be intended for issue through the Joint War Organization of the Indian Red Cross Society and St. John Ambulance Association for use in military hospitals and medical units of the defence forces in India or for re-export overseas.

New Zealand

IMPORT LICENCES FOR HANDLES AND COFFEE BREWERS

A memorandum issued by the New Zealand Department of Customs on February 5, 1943, increased the 1943 quota of unspecified wooden handles for tools from 100 per cent to 300 per cent of the amounts of licences granted for imports of similar goods from all sources in 1940. The whole of the licences under this allocation are to be made available for imports from Canada and/or the United States.

By a memorandum of February 25, 1943, licences may be granted for imports during 1943 of glass coffee brewers and of electric hot plates therefor, which had previously been in a category to which no licences were allocated, from any source for amounts equivalent to the value of the applicant's imports of similar goods from the same source in 1938.

Jamaica

RENEWAL OF TONNAGE TAX LAW

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports that tonnage taxes on merchandise (with stated exceptions) imported into Jamaica, enacted by a law expiring on March 31, have been continued for a further twelve months.

In the new Tonnage Tax Law, "flour and meal", formerly 6d. per 98 pounds or part thereof, appears as "flour and corn meal", per 100 pounds or part thereof, 6d. The chief purpose of this change is to remove from doubt the liability of the weight of the bag to be included in the weight for assessment of duty.

The normal tonnage taxes are: 6d. on packages not exceeding $\frac{1}{2}$ cwt.; 1s. if exceeding $\frac{1}{2}$ cwt. but not 1 cwt.; 2s. if exceeding 1 cwt. but not 4 cwt.; 6d. on each cwt. in addition to 4 cwt.

The new law specifically provides that, where articles form part of a consignment, the aggregate weight of the consignment shall be the weight on which the tax is to be assessed. This principle was followed in applying the former law.

BUTTER AND MARGARINE REGULATIONS

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes under date April 7, 1943, that regulations governing the sale of butter and margarine in that Colony, effective March 15, 1943, limit the content of water to 16 per cent in the case of butter and margarine offered for sale, and to 24 per cent in that of milk-blended butter. It is further provided that, when margarine containing butter is offered for sale and the label on the container indicates that the margarine contains butter, the percentage of butter shall likewise be stated. When margarine is sold, the container must be marked accordingly. Importers, agents and, generally, all dealers in these commodities are bound by the new regulations.

Egypt

MARKING OF CHEESE

Mr. Richard Grew, Canadian Trade Commissioner at Cairo, reports advice from the Egyptian Ministry of Commerce and Industry respecting a decree providing for marking of cheese in the Arabic language. In case cheese designated by a geographical name is imported into Egypt without bearing a mark of origin in the Arabic language, such cheese can be allowed to enter the country provided that, before withdrawal of the goods, the importer arranges with the Customs Administration to have the required mark of origin applied to each unit of the merchandise. Application of the mark of origin is to be carried out under supervision of a delegate from the Commercial Legislation and Industrial Property Department at the Ministry of Commerce and Industry.

United States

CANADIAN COAL CONTINUES TO BE EXEMPT FROM REVENUE TAX

United States Treasury Decision 50837, published in the weekly Treasury Decisions of April 1, 1943, advises Collectors of Customs and others concerned

that coal, coke made from coal, and coal or coke briquets imported from Canada and entered for consumption or withdrawn from warehouse for consumption during the period January 1 to December 31, 1943, inclusive, will not be subject to the tax of 10 cents per 100 pounds prescribed in the Internal Revenue Code. Section 3423 of this Code reads:—

Coal of all sizes, grades, and classifications (except culm and duff), coke manufactured therefrom, and coal or coke briquets, 10 cents per 100 pounds. The tax on the articles described in this section shall apply only with respect to the importation of such articles, and shall not be imposed upon any such article if during the preceding calendar year the exports of the articles described in this section from the United States to the country from which such article is imported have been greater in quantity than the imports into the United States from such country of the articles described in this section.

It is also announced in this Treasury Decision that, under Section 3420 of the Internal Revenue Code, coal, coke made from coal, and coal or coke briquets produced in the United Kingdom and Union of Soviet Socialist Republics and imported into the United States directly or indirectly therefrom and entered for consumption or withdrawn from warehouse for consumption during the calendar year 1943 will be exempt from this tax, and similarly with regard to such imports from Mexico from January 30 to December 31, 1943.

The above-mentioned countries do not include those from which there have been no importations of coal or allied fuels since January 1, 1941, regarding which further information concerning taxable status is to be obtained on application to the Bureau of Customs at Washington.

Mexico

DUTIES ON PIPE FITTINGS AND TILES

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes that a Mexican decree, effective April 7, 1943, recasts the Mexican tariff items for iron and steel tubes, pipes and fittings in order to give them a more precise classification. No changes in rates of duty have been made except in the case of two new items for elbows, crosses or four-way fittings and T-joints of iron or steel for tubes not over 5 centimetres in inner diameter, which have been added to the tariff. The rates of duty on these fittings when untinned or ungalvanized is 0.22 peso per kilogram ($2\frac{1}{4}$ cents per pound); when tinned or galvanized the rate is 0.25 peso per kilogram ($2\frac{1}{2}$ cents per pound). They were previously dutiable as unspecified articles of iron and steel at rates ranging from 0.40 to 1 peso per kilogram ($4\frac{1}{4}$ to $10\frac{1}{4}$ cents per pound).

Under a decree effective April 26, 1943, changes have been made in the wording of items for bricks and tiles, and several new items have been added to include glazed tiles of various kinds that had not previously been specifically provided for.

Chile

PERMIT REQUIRED FOR TRANSPORT OF CATTLE IN CHILEAN VESSELS

Mr. M. J. Vechsler, Canadian Commercial Attaché at Santiago, Chile, reports that a decree published in the *Diario Oficial* on March 26 prohibits the transport in Chilean vessels of cattle for abroad, whether they be of national origin, foreign in transit, or transhipped, unless authorized by the Ministry of Economy and Commerce. The Customs Houses of the Republic are instructed not to pass any export entry of cattle through maritime shipment in Chilean vessels unless they have complied with this requirement. The reason given for the decree is the necessity for giving preferential attention to the supply of cattle for national consumption.

EXCHANGE CONDITIONS IN BRAZIL

L. S. GLASS, CANADIAN COMMERCIAL ATTACHÉ

Rio de Janeiro, April 7, 1943.—There have been no changes in Brazilian exchange regulations. Exchange continues to be available for immediate cover, and there has been a slight tendency for rates to firm. Transactions may still be effected on the basis of letters of credit.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 19, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 19, 1943, and for the week ending Monday, April 12, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 12	Nominal Quotations in Montreal Week ending April 19	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2682	.2775	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5862	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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MR. COLE TO VISIT BERMUDA

Mr. D. S. Cole, Senior Canadian Trade Commissioner in the United States, will leave New York for Hamilton, Bermuda, on or about May 20 to confer with officials in that Colony regarding supplies from Canada of foodstuffs and other essentials.

Canadian manufacturers, producers and exporters desiring information or assistance in connection with marketing their products in Bermuda are invited to communicate with Mr. Cole, British Empire Building, Rockefeller Center, New York, N.Y.

CONDITIONS IN JAMAICA IN 1942

I

F. W. FRASER, CANADIAN TRADE COMMISSIONER

Kingston, Jamaica, April 8, 1943.—In his address at the opening of the spring session of the Legislative Council on March 9, His Excellency the Governor of Jamaica presented a detailed and informative statement on the economic life of the Colony in 1942. The estimates for 1942-43 had anticipated a deficit on the year's transactions of £332,140, but increased revenues from excise duties and from income and excess profits taxes have converted this deficit into a surplus of approximately £10,000. Foreign trade suffered to some extent as the result of various factors affecting the movement of goods, mainly shortage of shipping, but also in consequence of curtailed imports of non-essentials and of difficulties in obtaining other goods in short supply. On the other hand, and on the same basis, export values dropped by only 3 per cent.

Agricultural pursuits assumed increased importance during the year as a result of the greatly increased and intensified food production campaign, and the Island was again fortunate in escaping any serious weather disturbance. On

the whole, weather conditions were favourable to agricultural production, rainfall being adequate and well distributed. The activities of the Marketing Department were further extended to take care of the purchase, sale and distribution of the greatly increased crops grown under the food production scheme, which guarantees fixed prices to the grower. The scheme for land settlement continued to make satisfactory progress, the number of settlers acquiring lands under this plan reaching a total of 20,957 at November 30, 1942. Works for the relief of unemployment consisted chiefly of swamp reclamation, coupled with food production, and employed some 4,000 persons daily at a cost of around £150,000 for the year. Strict control was maintained over imports and exports, in order to ensure the most efficient use of available shipping tonnage to the end of providing the population with essential food and other supplies. A system of gasoline and fuel-oil rationing was introduced throughout the Island early in the year, resulting in a reduction by over 50 per cent in the number of vehicles operating.

PLANS FOR THE FUTURE

Following his review of the Colony's operations for 1942, His Excellency proceeded to outline plans for the future in some detail. Referring to his recent visit to London, he said that the British Government had decided, broadly, to grant financial aid for Jamaica not in "any fixed sum or unallocated millions in largesse" but "wherever a good case can be made out." Existing methods of support would be continued and, if necessary, expanded. At present they comprise, as their main heads, local defence, subsidies by the British Ministry for Food, and the Colonial Development and Welfare Fund.

As regards defence, Jamaica provides, of the total cost, only what would be the normal peacetime figure; the British Treasury contributes the remainder, which is the much larger portion. Subsidies for agricultural crops are furnished by the Ministry of Food, which buys outright, at a fair price, any crop needed in Britain. If the crop is not needed or if it cannot be shipped, the policy is to keep alive, by means of subsidies, any agricultural industry considered vital to the Colony's economic welfare. This policy applies wholly to bananas and partly to citrus fruits, i.e. in respect of that portion of the citrus crop that cannot be used for marmalade pulp, concentrated juice or essential oil, which the Ministry of Food purchases. Under colonial development and welfare a large measure of financial assistance has already been provided, and much more is promised for the near future.

The Governor presented to the Legislative Council a statement of approved schemes of this nature. The total is £1,082,624, of which the largest single item is the construction, at a cost of £384,000, of a large reservoir to improve Kingston's water supply. Other major projects are: afforestation (£156,880), housing (£100,000), swamp reclamation (£99,200), books and stationery for schools (£50,000), control of yaws (£38,750), taking of census (£28,000). Preliminary work on the reservoir has already begun. A further expenditure for Jamaica's benefit of £2,150,000 from the Colonial Development and Welfare Fund is under consideration. This will include the cost of a fisheries survey.

Following instructions received from the Colonial Office, the Jamaica Government will keep the cost of living from going beyond 60 per cent above the August, 1939, level. To achieve this purpose, the Government, through its Trade Control Authority, buys and sells goods and pays subsidies. The latter are effected by selling to merchants at prices below first cost to Government, and the difference is covered by grants from the British Government and also out of profits accruing from operation of ships by the Jamaica Government and from bulk purchases by the latter of other goods. This procedure applies not only to many kinds of imported commodities but also to some articles of domestic production and consumption, notably fresh meat and vegetables.

The total extent of the subsidies from the British Government in respect of cost-of-living stabilization and also of export crops that cannot be shipped, is estimated at between £1,500,000 and £2,000,000 for the time being. As regards cost-of-living control, the Government has purchased considerable quantities of utility articles of cloth and footwear, which will be placed on the market at reasonable prices.

DOMESTIC PRODUCTION

Everything possible will be done to maintain local production, for the needs of the domestic market as well as for those of the export trade, at as high a level as circumstances permit. For domestic needs food is, of course, the largest item of output and, although efforts in this direction have encountered difficulty—for some time past there has been a shortage of fresh beef—it is broadly true that never before has so much food been produced in Jamaica. The Government buys from farmers at guaranteed prices and distributes through its Marketing Department, which resells several items below cost, the shortage being met from British Government funds.

The position of the sugar industry is a matter of some concern. During the past two years, owing to favourable seasons and expanded cane cultivation, bumper crops have been produced and have been purchased by the British Government. Owing, however, to shipping difficulties, which have retarded deliveries to purchasing countries, these countries have been producing more beet sugar. Some apprehension is therefore felt as to the future of the cane-sugar industry, which in Jamaica, at its agricultural end, comprises an association of cane farmers who sell to the factories on terms governed to some extent by the market value of sugar. The sugar industry in Jamaica comprises twenty-seven factories (each having a rum distillery), 218,650 acres of land, buildings, equipment, etc., the whole representing a capital investment of £4,833,000 on which 6 per cent net profit was made in 1942.

Of importance in relation to Jamaica's economic prospects is the work being done in respect of soil conservation, re-forestation and land settlement. The country's productive capacity is obviously involved. For forestry a grant of £156,880, to be expended over a ten-year period, has been provided from the Colonial Development and Welfare Fund.

LAND SETTLEMENT

The land-settlement program, begun many years ago, proceeded at a moderate pace until, following the disturbances of 1938, it was decided to allocate £650,000 for this purpose. A new department was set up to do the work, which consists of buying large estates and reselling the land in small lots on easy terms to peasants, laying out roads, and arranging for water supplies, roads, overseers' houses, recreation grounds, cemeteries and other services and amenities of civilized life.

At present 76,430 acres have been allotted out of a total of 105,934 acres purchased. These settlements form natural groups, distributed throughout the country, of which there are 157. In addition the Lands Department administers approximately 260,000 acres of Crown lands on which there are settlers and tenants. As at November 30, 1942, allotments had been made to 20,957 persons, excluding 5,202 tenants on Crown lands, and it is estimated that, counting the families of settlers and tenants, 104,785 persons are residing in or near the settlements. To date, the total outlay on this program, in round figures, is £900,000. The department also operates fourteen agricultural training centres, where prospective settlers are initiated into their new way of life.

Recently, the scope of this movement has been appreciably expanded by the addition of co-operative production and marketing, the latter being largely

done through the Government's Marketing Department. Six egg co-operatives and one dealing in cassava products have been started. The new settlers are also encouraged to build their cottages co-operatively and to buy their tools, seeds and other requirements in this way. There is also provision for social welfare work, which includes savings unions.

DEVELOPMENT POLICY

Land colonization, conjoined with wider facilities for education (which includes technical training), public health and social welfare work, expansion of agriculture, the development of such indigenous manufactures as are economically feasible, and organization of marketing—these broadly represent the Jamaica Government's reaction to the popular urge towards economic and sociological progress, which had been gradually shaping for some years before the outbreak of war and which appears to have been among the factors of mass psychology that influenced the public disturbances that began in May, 1938, and intermittently continued almost until the war began. Immediate results were: (1) decision to raise a loan of £500,000 (subsequently increased to £650,000) for land settlement, as noted above; (2) appointment of the West India Royal Commission, which spent many weeks in Jamaica towards the close of that year. After the outbreak of war, the Commission's recommendations, together with a statement of future policy but not their report, were published. The British Government, having undertaken to act upon the report so far as the exigencies of war would permit, established a West Indian Department of Development and Welfare under Sir Frank Stockdale, who had been agricultural adviser to the Secretary of State for the Colonies. Accompanied by technical assistants, he spent some months in Jamaica during the latter half of 1941 and made a preliminary report to the local Government.

Sir Frank Stockdale's main recommendations, published in July, 1942, fall under the following heads: development of the Colony's agricultural and other resources, including fisheries and cottage industries; irrigation; forestry; rural and urban housing; credit for farmers; public health; education; social welfare; the extension of the scope of the Government Marketing Department; the establishment of a permanent Economic Intelligence Department; improving the efficiency of the Civil Service. He suggested that financial grants, amounting in round figures to £4,500,000 over a period of ten years, be made by the British Government and that the local Government likewise undertake considerable extra expenditure, largely for maintenance. Of this sum, £1,082,624 has been approved for expenditure upon a number of projects, and further expenditure of £2,150,000 is being considered, as already indicated. The Anglo-American Commission, of which Sir Frank Stockdale is British Co-Chairman, co-operates with his department in the important work of giving Jamaica a planned economy.

Among plans for the future should also be mentioned the proposed new political constitution, an outline of which was published in *Commercial Intelligence Journal* No. 2046 (April 17, 1943), page 314. Its general purpose is to give the elected representatives of the Jamaican people more control over, and more responsibility for, the conduct of public affairs. Related to this matter, and also to economic and social development, is the taking of the first proper census of the Colony, of which preliminary results have lately been published. This work is being done at the expense of the British Government under the supervision of the Chief of the Census Branch, Dominion Bureau of Statistics, who has been seconded to Jamaica by the Canadian Government for the purpose.

TRADE OF BERMUDA IN 1942

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

(Values have been converted at the rate of £1 equals \$4.47 Canadian)

New York, April 12, 1943.—The foreign trade of Bermuda for 1942 has been greatly affected by the adverse shipping conditions, which have resulted in a heavy decrease in imports for civilian consumption. On the other hand, the construction of the United States military and naval bases, coupled with imports for essential civilian requirements and receipts of large shipments of diamonds, have raised the total import value well above that of the previous year. Total foreign trade (imports and exports combined) for 1942 was valued at \$20,076,937 as against \$11,385,565 in 1941.

Imports, valued at \$19,618,539, increased by \$8,791,725, or 80.7 per cent, in 1942 as compared with 1941, while exports decreased by \$100,353, or 17.8 per cent, to \$458,398 in 1942. However, it is noteworthy that during the past year receipts of diamonds from South Africa were valued at \$8,885,073, and, if this amount is deducted from the total imports, the value of imports was \$93,348, or 0.8 per cent, below the 1941 value of \$10,826,814.

IMPORTS BY COUNTRIES

The following table shows imports into Bermuda by countries of origin in 1942, with comparative values and percentages for 1941:—

Imports Into Bermuda by Principal Countries

	1942		1941		Inc.+ or Dec.— Per Cent
	\$	Per Cent of Total	\$	Per Cent of Total	
Canada	1,883,283	9.6	2,513,803	23.1	— 25.1
United States	6,681,859	34.1	5,158,666	47.7	+ 29.5
United Kingdom	1,521,360	7.8	1,917,599	17.7	— 20.6
South Africa	8,885,354	45.3	.....	....	....
British West Indies	159,302	0.8	373,781	3.5	— 57.3
South America	199,979	1.0	346,228	3.2	— 42.4
New Zealand	134,690	0.7	218,216	2.0	— 38.5
Dutch West Indies	46,153	0.2	152,427	1.4	— 69.7
Australia	27,562	0.1	41,588	0.4	— 34.1
Portugal	26,288	0.1	31,214	0.3	— 16.1
Other countries	14,987	0.1	54,849	0.5	— 72.6
Dutiable packets	37,722	0.2	18,443	0.2	+105.5
Total	19,618,539	100.0	10,826,814	100.0	81.2

The foregoing table indicates that in 1942 Canada, the United Kingdom, South Africa and the United States supplied Bermuda with 96.4 per cent of the total imports into the Colony. However, if the imports of diamonds, valued at \$8,885,073, is not taken into consideration, then Canada, the United Kingdom and the United States supplied 51.2 per cent of the total imports as against 88.6 per cent in the previous year. Imports from Canada were \$630,520 under their 1941 value, while the value of those from the United States increased by \$1,523,193 over the figure for the previous year, and receipts from the United Kingdom decreased by \$396,239.

PRINCIPAL IMPORTS FROM CANADA

Details of imports from Canada into Bermuda for the calendar years 1942 and 1941, together with the percentage of the total value of each item that was

accounted for by supplies from the Dominion, are shown in the following table:—

Chief Imports into Bermuda from Canada

	1942		1941	
	\$	Per Cent of Total	\$	Per Cent of Total
Agricultural supplies—				
Boxes and material	4,448	98.5	14,755	95.6
Bran	23,512	100.0	23,754	100.0
Bulbs and plants	389	25.0	.....	.....
Corn	2,584	19.2	8,435	76.4
Cornmeal	2,776	23.0	7,751	80.9
Fertilizer	14,058	50.1	1,372	11.5
Fungicides	3,395	15.6	5,623	28.2
Grain, mixed	128,325	51.8	182,412	93.1
Hay	16,955	100.0	36,690	100.0
Oats	108,618	94.0	107,141	100.0
Pollard	28,460	100.0	35,250	100.0
Potato seed	12,042	38.9	22,815	100.0
Beverages—				
Alcohol	1,864	21.0	1,895	28.7
Gin	7,268	15.0	3,022	7.0
Malt liquor	24,348	7.3	2,327	3.6
Whisky	106,440	40.8	42,671	27.0
Wine	2,950	6.1	778	1.0
Lime and other juices	16,575	7.6	12,556	20.8
Building materials—				
Cement . . . . .	.....	.....	4,278	9.8
Hardware	19,512	15.4	81,546	21.6
Laths	407	43.5	1,569	100.0
Lumber	19,588	27.0	42,322	23.0
Millwork	501	2.5	1,457	2.4
Paints	7,349	12.6	37,552	36.3
Structural materials	1,435	3.1	4,305	7.8
Clothing—				
Boots and shoes, leather . . . . .	.....	.....	2,610	1.0
Boots and shoes, canvas	505	13.1	13,549	43.4
Cotton clothing	1,810	0.3	15,565	3.1
Cotton goods	2,043	1.3	8,220	5.3
Rayon clothing	4,457	2.5	9,955	10.0
Rubber goods	1,994	13.4	7,778	23.5
Drugs	28,291	17.4	27,848	21.5
Toilet preparations	2,932	5.1	10,737	13.7
Electrical supplies	61,056	15.4	145,436	26.6
House furnishings—				
Carpets . . . . .	.....	.....	5,364	11.6
Furniture	21,541	43.5	85,744	53.1
Stoves	8,058	27.1	3,898	8.6
Marine supplies—				
Cordage	98	1.1	5,771	32.6
Miscellaneous—				
Bottles . . . . .	.....	.....	2,248	17.8
Bottle caps	2,606	14.1	4,756	20.2
Brooms	2,883	11.6	10,710	35.3
Jewellery	3,598	13.8	.....	.....
Matches	2,584	12.4	.....	.....
Paper, wrapping	16,320	37.5	25,023	50.8
Photo supplies	1,109	2.9	8,886	18.9
Silverware	1,944	31.5	2,825	15.0
Soap	47,104	38.1	5,628	6.6
Stationery	2,280	4.5	16,535	18.7
Unclassified	58,946	9.5	82,065	15.2
Foods—				
Bacon	12,954	12.5	10,822	12.2
Beef, canned	77,519	29.2	44,007	20.4
Beef, fresh	50,288	11.4	96,449	34.8
Beef, pickled	23,754	30.6	41,164	53.6
Biscuits	2,995	3.7	9,628	14.9
Butter	4,072	1.7	12,315	5.0
Cheese	41,245	52.4	30,171	68.2
Coffee	4,439	6.6	.....	.....
Confectionery	19,596	14.7	24,156	18.9
Eggs	32,984	42.0	56,514	77.7
Fish, canned	10,661	27.6	19,073	30.7
Fish, fresh	1,323	34.7	2,615	74.7

Foods— <i>Con.</i>	1942		1941	
	\$	Per Cent of Total	\$	Per Cent of Total
Fish, smoked	24,911	96.5	55,240	99.0
Flour	119,979	59.4	113,726	86.8
Fruit, canned	23,682	35.5	26,784	34.4
Fruit, dried	443	1.9	3,455	10.0
Fruit, fresh	11,287	9.8	37,155	19.2
Groceries	137,256	36.8	200,810	45.4
Hams	12,945	11.1	25,363	30.5
Jams	13,861	38.7	1,685	4.4
Lard	532	31.9	2,606	96.5
Lard substitutes	15,775	23.6	35,072	69.6
Milk, canned	217,425	73.7	164,769	80.4
Milk, powdered	10,522	23.1	.....	.....
Milk, condensed	1,229	100.0	.....	.....
Milk, fresh	49	52.3	523	18.4
Mutton, fresh	11,099	23.9	27,245	29.1
Peas and beans, dried	724	2.2	501	2.5
Pork, fresh	912	0.9	1,332	23.0
Pork, pickled	3,424	21.4	2,843	31.4
Potatoes, Irish	15,287	29.4	12,198	40.9
Poultry and game	14,639	12.6	24,764	23.1
Salt	4,300	43.6	6,423	82.3
Tea	4,041	18.3	4,434	6.1
Vegetables, canned	88,984	47.6	95,596	74.8
Vegetables, fresh	7,747	21.5	15,131	21.4
Yeast	7,089	43.3	13,906	93.9

Under the classification "agricultural supplies", imports of all items from Canada, except fertilizers and oats, recorded declines from the 1941 values. Receipts of bran, hay and pollard came entirely from Canada, while nearly all the imports of boxes and box materials and oats were supplied by the Dominion.

Imports of nearly all beverages from Canada showed gains over the 1941 values, whisky imports being greater by \$63,769, malt liquors by \$22,021, gin by \$4,246, and lime and other juices by \$4,019.

Under "building materials", declines were recorded for practically all the important commodities supplied from Canada. Imports of electrical supplies and house furnishings, with the exception of stoves, showed declines from the previous year's figures. Under the classification "miscellaneous", there were declines for all imports except soap, which showed a gain of \$41,476. There were reductions in imports of all clothing articles, while, on the other hand, drugs showed a small increase over the 1941 value.

Under the general heading "food supplies", the following increases in imports from Canada were recorded: bacon (\$2,132), canned beef (\$33,512), cheese (\$11,074), flour (\$6,253), jams (\$12,176), canned milk (\$52,656), powdered milk (\$10,522), pickled pork (\$581), and Irish potatoes (\$3,089).

On the other hand, the value of imports from Canada of fresh beef declined by \$46,161, pickled beef by \$17,410, fresh fruit by \$25,868, smoked fish by \$31,329, and groceries by \$63,554. There were declines also in the imports of hams, lard and lard substitutes, fresh mutton, poultry and game, salt, canned and fresh vegetables, and yeast.

EXPORTS

The following table shows the values of Bermuda domestic exports, re-exports and total exports for 1942 as compared with 1941:—

Bermuda's Exports by Countries

	1942			1941		
	Bermuda Produce	Re-exports	Total Exports	Bermuda Produce	Re-exports	Total Exports
Canada	\$ 19,436	\$ 12,851	\$ 32,287	\$105,631	\$ 67,251	\$172,888
United States	140,751	266,707	407,458	62,428	251,004	313,432
British West Indies	2,155	9,686	11,841	25,609	43,475	69,084
Dutch West Indies	2,503	4,309	6,812	.....	.....	.....
Panama . . . . .	.....	.....	.....	.....	3,353	3,353
Total	\$164,845	\$293,553	\$458,398	\$193,668	\$365,083	\$558,757

The value of exports, including re-exports, from Bermuda in 1942 was \$100,353, or 17·8 per cent below the 1941 total of \$558,751. Exports to Canada accounted for 7 per cent of the total, and to the United States by 88·8 per cent; the comparable 1941 percentages were 30·8 per cent for Canada and 55·9 per cent for the United States. In 1941 Canada was the principal buyer of Bermuda domestic products, but this position has been taken over by the United States during the past year.

The principal commodities exported to Canada in 1942 included lily bulbs (\$10,634), flower bulbs (\$7,979), onions (\$134), cabbage (\$31), and celery (\$612).

CANADIAN AGENCIES

Despite the fact that shipping conditions have resulted in a heavy decrease in Canadian exports to Bermuda, there are at present more than 150 Canadian agencies in the Colony.

The Department of Trade and Commerce is co-operating closely with the Bermuda War-Time Supplies Commission in supplying Bermuda's requirements, and the Commission is desirous of obtaining the bulk of their food supplies from Canada.

CONTROL OF FOODSTUFFS IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, April 16, 1943.—On April 13 the Deputy Food Controller for Newfoundland announced a number of changes in the food control program.

He mentioned the dependence of Newfoundland upon the United States and Canada, and the need for working out some scheme whereby the food allotments from these countries could be equitably distributed among the various local importers. He indicated that the Government was preparing such a plan, and that, so far as is possible, the distribution of foodstuffs will be carried out as in peace time by private importers, brokers, wholesalers and retailers.

BARRELLED BEEF

The Food Controller referred to shortages of certain foodstuffs, particularly barrelled beef and pork, and emphasized the importance of these foods to the fishermen and to the residents of some outport districts. For the purpose of conserving existing supplies of these barrelled meats, he announced the issue of an order freezing all stocks of barrelled and canned meats in the hands of importers or wholesalers and prohibiting their sale to retailers except under permit. The purpose of the regulation is to ensure that the limited available supplies of these meats are sold only to men outfitting for the fisheries and to those working in the woods and mines. Some cooked corned beef, which it is hoped will be obtainable, will be kept for fishermen and for the use of residents in areas in which fresh meats are practically unavailable.

MOLASSES

When the Newfoundland sugar rationing scheme was introduced, it prescribed the maximum quantities of molasses that could be purchased by domestic consumers and by industry. An improvement in the molasses position has enabled the Government to relax these restrictions to some extent. Until further notice, housewives may purchase as much molasses as they wish, and such purchases will not affect the full weekly ration of one pound of sugar per person in the household. It is hoped that this relaxation will enable housewives to conserve enough sugar from their rations to enable them to put up berries and

other fruits during the canning season. The restriction on the purchase of molasses by industrial users has not been altered.

COFFEE

When tea rationing was introduced in Newfoundland on December 12, 1942 (see *Commercial Intelligence Journal* No. 2031: January 2, 1943), the rationing of coffee was not considered necessary, as consumption was small and stocks were satisfactory. The compulsory reduction in the consumption of tea, however, brought about an increased demand for coffee, and it has now been found necessary to ration it as well. All stocks of coffee in Newfoundland have been frozen, and deliveries from such stocks can now be made only by permit. The honour system became effective April 15, the weekly ration being set at four ounces per adult person, with the added proviso that no one may purchase both his ration of tea and coffee in the same week. Restaurants, hotels and canteens are limited to the serving of one cup of coffee to any customer at one sitting, and the rationing order covers coffee beans, roasted and ground coffee, chickory and mixtures of coffee and chickory, but it does not include liquid or soluble essences made in whole or in part of coffee.

TEA

The tea ration was previously established at two ounces per person per week for persons ten years of age and upwards. It has now been decided that this ration is inadequate for men working in the woods, often under difficult and exhausting conditions. It has therefore been decided to provide a special ration of half an ounce of tea per man per week for those employed solely in logging camps. It has been made clear that the relaxation of the regulation in respect of molasses and the concession to men in the logging camps is based on the assumption that there will be no interruption in supplies coming in from overseas. Should such interruptions occur, it may be necessary to revert to the former position with little or no notice.

RESTRICTIONS ON THE SALE OF CANNED FISH IN THE UNITED STATES

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, April 9, 1943.—With reference to a report on the above subject, published in *Commercial Intelligence Journal* No. 2042 (March 20, 1943), page 225, Food Distribution Order No. 44, effective April 1, makes certain additions to the species of canned fish subject to the restrictions and alters the percentage of each canner's pack reserved for the use of the Government.

The first four groups are the same as in the previous Order, and the complete list is as follows:—

Group 1 (Salmon): Red, sockeye or blueback; pink; silver, silverside, medium red or coho; chum or keta; king, chinook or spring; steelhead or steelhead trout.

Group 2 (Pilchard): By whatever name known, including sardines.

Group 3 (Sea Herring): Atlantic, by whatever name known, including sardines.

Group 4 (Mackerel): Atlantic; Pacific.

Group 5 (Horse Mackerel) Pacific.

Group 6 (Shrimp).

Group 7 (Tuna): Albacore, or white-meat; yellowfin, or light-meat; skip jack, or striped; bluefin, or leaping.

Group 8 (Yellowtail).

Group 9 (Bonito).

The quota for each canner of fish packed between April 1, 1943, and February 29, 1944, is set at 55 per cent of each of Groups 1 to 6 inclusive and 60 per cent of each of Groups 7 to 9 inclusive. The remainder of the packers' production of each group that is larger than under the previous order may be delivered to civilian buyers.

UNITED STATES CEILING PRICES FOR FROZEN SALT-WATER FISH

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, April 13, 1943.—Following representations by the fish trade, the Office of Price Administration has announced that, effective April 13, under Maximum Price Regulation 364, cents-per-pound maximum prices will rule for sales of frozen salt-water fish and seafood by processors. Fixed percentage mark-ups are also established for wholesale distributors. Ceiling prices for retail sales were previously set under Maximum Price Regulation 268 (Sales of Certain Perishable Food Commodities at Retail).

Taking the field as a whole, the new regulation will have the effect of levelling off the individual sellers' March, 1942, price ceilings under the basic General Maximum Price Regulation which previously governed these fish. According to a statement issued by the Office of Price Administration, this action should have no substantial effect at the retail level, although slight increases or decreases in individual stores are possible.

METHOD OF ESTABLISHING PROCESSORS' CEILINGS

In establishing the new uniform prices for processors or freezers, the port of entry for each species of fish or seafood is used as a base point. Most salt-water fish and seafood are placed in freezers at or near the landing ports, and the work of preparing the finished product for market is generally done there. Where the processing occurs at points other than the point of entry, an allowance is granted for transporting the fresh fish.

The maximum prices thus established and published in the "Table of Base Prices" issued by the Office of Price Administration are gross prices, from which are to be deducted the usual discounts, brokerage and allowances. Where the processor operates as a wholesaler, he is entitled to add the wholesaler's mark-up to his established maximum.

METHOD OF ESTABLISHING WHOLESALERS' CEILINGS

Four types of wholesalers are recognized under the regulation. Each of these is permitted to add to his net delivered cost a mark-up depending upon his classification and the type of service he renders.

Primary Wholesalers.—These wholesalers buy frozen fish or seafood from processors and distribute it for resale from storage warehouses to other wholesalers or to retailer-owned co-operative and chain-store wholesalers. They do not sell to individual retail stores or purveyors of meals and do not customarily deliver. To these wholesalers a mark-up of 12 per cent is allowed when the fish has been unloaded, stored and warehoused in the regular course of business. Where such services are not performed, the mark-up is 7 per cent.

Retailer-owned Co-operative Wholesalers.—This class of wholesaler generally sells and delivers from a cold-storage warehouse to affiliated retail stores. The permitted mark-up in such cases is 10 per cent.

Cash and Carry Wholesalers.—Wholesalers in this group distribute frozen fish and seafood to retail stores and purveyors of meals. They do not normally extend credit, and sales are made ex freezer or platform. The mark-up for this class of wholesaler is 15 per cent.

Service and Delivery Wholesalers.—To compensate for the additional service, wholesalers in this class who make delivery to the customer's usual receiving point are allowed a mark-up of 25 per cent.

Sales of broken lots are permitted except to other wholesalers. On such sales of fish which are repacked, made ready for delivery and shipped out to a customer apart from the remainder of the original contents of the immediate container a wholesaler is permitted to add 10 per cent to the normal mark-up applying to the type of wholesaler concerned.

Wholesalers who ship to retailers and purveyors of meals at country and outlying points may add to their permitted mark-up the actual cost of any special shipping cases and refrigerant used.

IMPORTED FISH

It will be of interest to Canadian shippers of frozen salt-water fish and seafood to note that maximum prices and mark-ups on imported frozen fish are set in line with those for the domestic commodity. Wholesalers' prices include transportation in addition to the base prices, with package differentials. Frozen Canadian smelts, for which specific ceiling prices were set in January, 1943 (see *Commercial Intelligence Journal* No. 2041: March 13, 1943, page 209), are not included in the Office of Price Administration's table of base prices.

TABLE OF BASE PRICES

The table attached to the new regulation lists in alphabetical order 60 schedules covering specific cents-per-pound maximum prices for a wide range of frozen fish, some of interest to Canadian exporters. Copies of this table are on file at the Department of Trade and Commerce, Ottawa, and information relating to prices for any varieties of frozen fish will be supplied to interested Canadian firms on application to the Department or to the Senior Canadian Trade Commissioner in the United States, 620 Fifth Avenue, New York City.

TABLE OF PACKAGE DIFFERENTIALS

The prices listed in the table of base prices are for fish packed in the size and kind of container customarily used in the industry. The following table of package differentials sets out the amounts that may be added to or must be deducted from the listed base prices to fix the maximum prices when frozen fish or seafood is packed in other kinds or sizes of containers; this applies to both domestic and imported fish:—

Table of Package Differentials

Parchment-wrapped in 15-lb. wood or paper box	Base price
Parchment-wrapped in 10-lb. wood or paper box	Add $\frac{1}{2}$ c. per lb.
Parchment-wrapped in 5-lb. wood or paper box	Add $\frac{3}{4}$ c. per lb.
Parchment-wrapped in 1-lb. wood or paper box	Add $1\frac{1}{2}$ c. per lb.
Cellophane-wrapped in 15-lb. wood or paper box	Add $\frac{1}{2}$ c. per lb.
Cellophane-wrapped in 10-lb. wood or paper box	Add $\frac{3}{4}$ c. per lb.
Cellophane-wrapped in 5-lb. wood or paper box	Add $\frac{3}{4}$ c. per lb.
Cellophane-wrapped in 1-lb. wood or paper box	Add $1\frac{1}{2}$ c. per lb.
Layer pack in 15-lb. wood or paper box	Deduct $\frac{1}{2}$ c. per lb.
Layer pack in 10-lb. wood or paper box	Deduct $\frac{3}{4}$ c. per lb.
Layer pack in 5-lb. wood or paper box	Base price
Cry-O-Vac: When Cry-o-Vac bags or containers of similar materials are used in conjunction with any of the above methods of wrapping or packing, add to the above differentials:	
$\frac{1}{2}$ c per lb. for a unit of 15 lbs., net weight	
$\frac{3}{4}$ c. per lb. for a unit of 10 lbs., net weight.	
$\frac{1}{2}$ c. per lb. for a unit of 5 lbs., net weight.	
Frozen fish and frozen seafoods not packed in boxes or other containers	Deduct 1c. per lb.

EXTENT OF FROZEN FISH INDUSTRY

Freezings of 6,741,023 pounds were reported for the United States in February, 1943, an increase of approximately 150,000 pounds over the figure for the same month in 1942. With the increased demand for frozen fish, which is not on the rationed list, however, present holdings of this commodity are down almost 10,000,000 pounds as compared with stocks at the same time last year. Since 22 per cent of the entire catch of fresh fish and seafood is now being frozen, and frozen fish has become an increasingly important food item for the people of the United States, the new regulation brings under specific price control another important section of the food industry, which should prove beneficial to producers, distributors and consumers alike.

FRESH FISH

On April 8 President Roosevelt issued his "hold-the-line" order to combat inflation, under which specific dollar-and-cent ceilings are to be applied to many products not now subject to price control. Among the commodities likely to be affected in the immediate future are fresh fish. Press reports indicate that ceiling prices for fresh fish and other items are being determined and will be published shortly.

PRODUCTION OF FRUIT JUICE CONCENTRATES IN CALIFORNIA

T. J. MONTY, ACTING TRADE COMMISSIONER

Los Angeles, March 30, 1943.—At one time the collection of by-products of the citrus industry was a salvage operation whereby producers tried to recover a portion of production and handling costs. These by-products were derived mainly from fresh fruit of little value, due to surplus production. This fruit has recently become valuable because of its vitamin content, and the Government has issued an order requiring that, as from January, a portion of one box for every five of oranges and lemons shipped as fresh fruit be set aside by California and Arizona handlers for conversion into fruit juice concentrates. The purpose of this order is to enable capacity production of concentrated juices, which go to Great Britain, Russia, Africa and the Solomons. The large proportion of these concentrates is for the United States and United Nations armies, a portion being reserved for children and expectant mothers in the United Kingdom. The United States soldier's daily ration includes eight ounces of orange juice, but this is likely to be replaced by concentrates in overseas areas.

On account of this country's large citrus production, the United States civilian population is expected to have sufficient fresh fruit available despite slightly increased prices. Prices to processors of concentrates are established at \$50 per ton f.o.b. packing house for oranges and \$45 for lemons.

The larger proportion of the concentrates produced in 1942 was from California. Lend-lease purchases amounted to 208,694 gallons of lemon juice and 1,712,668 gallons of orange juice. This is expected to expand this year to 1,700,000 gallons of lemon juice and 4,800,000 gallons of orange concentrates. It is expected that all the lemon and approximately 60 per cent of the orange concentrates will be supplied from California. Nine of the thirty-five products plants in that state produce about 90 per cent of the entire California production. The largest of these are the Exchange Orange Products Co. at Ontario, and the Exchange Lemon Products Co. at Corona, California.

CONDITIONS IN NYASALAND

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, March 12, 1943.—There is no industrial and little mining production in Nyasaland, and the Protectorate is therefore dependent entirely upon its economic crops. The general volume of commerce appears to be declining: Christmas shopping was curtailed by shortage of stocks, and native trade is also dull, even though good crops and good prices have made money plentiful.

AGRICULTURE

The recent protracted drought, which was causing concern, has been broken by good general rains and, apart from that for the tea plantations in the Cholo district, the general outlook is favourable at present. Seasonal conditions have been relatively favourable during the war years. In both 1941 and 1942 the exports of tobacco were about 17,750,000 pounds, or $33\frac{1}{2}$ per cent greater than the average for the five previous years. Tea exports, at about 13,000,000 pounds, were nearly 20 per cent greater. The cotton crop was estimated at 4,500,000 pounds of lint, which indicates a substantial recovery after three poor years. The maize harvest was the largest ever recorded, and it was thus possible to assist in making up for shortages in neighbouring countries. Wheat production has increased about 50 per cent. Rubber production is still small, about 100 tons, but an increase is expected.

GOVERNMENT FINANCES

Decreased revenue from import duties has been more than offset by increased revenue from income tax. In 1938 the income tax yielded £42,918, but in 1942 it was expected to amount to £200,000; however, the estimate for 1943 is down to £180,000, even though the rate is unchanged. Estimated income of £933,000 in 1942 was expected to result in a small surplus. Exports have increased in value, but imports are, of course, much lower than normal.

ARGENTINE CORN PRODUCTION, 1942-43

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, April 14, 1943.—According to the first estimate of the 1942-43 corn crop, issued on April 6 by the Argentine Department of Agriculture, production for the current year will be only 74,803,000 bushels as compared with 355,668,580 bushels in 1941-42 and a ten-year average of 324,542,225 bushels. The 1942-43 figure represents a reduction of 79 per cent as compared with last year's crop.

The 1942-43 Argentine crop will be the lowest for any year since 1916-17, when 58,842,402 bushels were harvested. The acreage sown to corn for the current year was estimated at 10,003,500 acres, a reduction of 19 per cent. The three factors contributing to the reduced corn sowings were: (1) the large exportable surplus remaining from the three bumper corn crops of 1939-40, 1940-41, and 1941-42, due to the virtual cessation of exports since 1940; (2) drought conditions at seeding time last September-October; and (3) the intimation that the Government would not continue to purchase unlimited harvests of unsalable corn.

Argentina suffered from severe drought conditions from September, 1942, to the first of March this year. In the corn belt the total rainfall was the lowest recorded in many years, which chiefly accounted for the reduced corn crop this year. Many fields are not worth harvesting and have been used to

pasture cattle. In the territory of La Pampa, southern Cordoba, the southwestern portion of the province of Buenos Aires, and Entre Rios the crop was a total loss. In the more defined corn zone, comprising northern Buenos Aires, Santa Fe and Cordoba, the crop was from 45 to 65 per cent deficient.

The present stocks of corn are officially estimated at some 78,740,000 bushels as compared with some 314,960,000 bushels on the same date last year. The failure of the current corn crop and the greatly reduced stocks of usable corn have completely changed the fuel situation in Argentina. Last year large quantities of corn were used for fuel.

Comparative figures of acreage, production, exports and prices of corn in recent years are shown in the following table:—

Argentine Corn Acreage, Production, Exports and Prices

Crop Year	Acres	Production Bushels	Calendar Year	Exports Bushels	Prices in Cts. per Bush.		
					Min.	Max.	Av.
1931-32 . . .	14,461,850	299,345,504	1932	277,770,586	21.2	43.2	33.9
1932-33 . . .	14,533,480	267,775,212	1933	197,592,557	24.5	38.9	31.0
1933-34 . . .	16,089,580	256,927,045	1934	215,397,955	28.8	61.4	43.1
1934-35 . . .	17,361,309	451,967,600	1935	277,615,980	29.6	53.3	36.6
1935-36 . . .	18,846,100	395,715,980	1936	329,987,135	32.6	51.6	40.3
1936-37 . . .	15,045,388	340,165,461	1937	356,769,481	39.8	80.4	54.0
1937-38 . . .	14,982,733	174,172,880	1938	104,021,445	41.5	95.7	62.9
1938-39 . . .	13,091,000	191,495,680	1939	125,829,394	42.3	66.9	50.6
1939-40 . . .	17,784,000	408,463,750	1940	73,807,215	17.8	55.9	33.9
1940-41 . . .	15,061,072	403,070,060	1941	21,775,508	11.0	26.2	16.5
1941-42 . . .	12,350,000	350,668,580	1942	8,616,558	14.4	32.1	22.9
1942-43 . . .	10,003,500	74,803,000	1943	*1,414,210	27.9	55.0	....

* To March 20, 1943.

TEN-YEAR BUILDING PLAN IN THE UNITED KINGDOM

From the London *Economist*

The White Paper on Training for the Building Industry (Cmd. 6428), issued last week jointly by the Ministers of Labour and of Works, is a document of special significance. It contains a scheme for the recruitment and training after the war of the labour force likely to be needed for a ten-year building program of predetermined volume. The program itself must necessarily be provisional, but it represents the first attempt to determine, for a long period ahead, the physical volume of activity in one of the major industries and to prepare measures for bringing the capacity of that industry into line with the planned scale of operations. Building accounted for over a third of expenditure on capital goods before the war, and it is one of the most important and flexible instruments for translating into practice any policy of full employment.

The size of the program (exclusive of public works contracting) envisaged by the Government, measured by the labour force which is to be built up, will appreciably exceed the volume of building during the pre-war boom. The Government is planning for a labour force of 1,250,000 men, an increase of a fifth over the number of insured persons in the industry in 1937 and of a third over the average for the last decade. If the rate of unemployment in building during the post-war decade does not exceed 10 per cent, against 13.8 per cent in 1937 and an average of 18.6 per cent in 1930-39, and if an allowance is made for some increase in efficiency, the volume of construction may be half as big again as in the ten years before the war.

The capacity of the building industry, with a labour force of 1,250,000 and an average rate of unemployment of 10 per cent, can be stated broadly in financial terms. In 1935, when the last census of production was taken, the average gross output per man was about £400. As costs (that is, the price of labour and of materials) have risen by about a third since then, the gross output per

operative in 1935 at present costs would be approximately £530. Without making allowance for any increase in the volume of production per operative, the potential output of the proposed labour force at current prices is therefore something like £600 million per annum, compared with an output, also at present prices, of some £450 millions in 1937.

The White Paper suggests that the construction program, of which details have yet to be published, has been based on a computation of estimated building needs. These needs are an essential criterion but not the only one. The building program will also have to be related to the total resources available for capital investment; so far as possible, it will have to be fitted in with estimates of other (some of them hardly predictable) claims in order to ensure "balance" in investment at the level required for the prevention of large-scale unemployment. Hence the program must be flexible, subject to acceleration when other, less predictable, forms of investment tend to decline and to deceleration when they tend to expand.

Provisionally, the building program appears to have been pitched fairly high; a labour force of 1,250,000 men will render possible a very large volume of construction. While it excludes public works, it covers, besides houses, factories, other buildings and repairs. The ratio between these four components of building showed no important variations in the years before the war; in 1937, for example, about 44 per cent of total outlay on building was spent on houses, 8 per cent on factories, 20 per cent on other buildings and 28 per cent on repairs. On the assumption that post-war expenditure would be in the same proportions—initially the proportion spent on repairs would have to be appreciably bigger—some £264 million of the potential annual expenditure of about £600 million at current prices would be spent on new houses, £48 million on factories, £120 million on other buildings and £168 million on repairs.

A sum of £264 million a year for ten years would seem to be ample provision for new houses. Apart from the repair of damaged buildings, the greatest general need is the improvement of working-class housing, both quantitatively and qualitatively. In 1935 the average cost of dwellings built by local authorities was approximately £300 a unit; as prices have risen by about a third since then, the current cost may be about £400 a unit—though it should be possible to build satisfactory dwellings more cheaply by the adoption of more efficient methods of construction. But even at £400 a unit it would be possible to build no fewer than 660,000 houses a year with an expenditure of £264 million, which is equivalent to about 5 per cent of the present total stock of houses. Cheap working-class dwellings are not, of course, the only houses that should be built after the war, though in the early post-war years it may be desirable to concentrate on this category and to construct them at the rate of, say, 500,000 a year. If the cost of all houses built in the ten-year period average, say, £530 apiece at current prices, some 5,000,000 could be built for an annual outlay of £264 million, compared with a total number of 4,000,000 constructed during the inter-war years. If the average cost of all houses, working-class and expensive, is £550, then the total that could be built in the decade will be 4,800,000, and, if £600, 4,400,000. Unless the war lasts longer and air raid damage is heavier than can at present be reasonably expected, a number between 4,000,000 and 5,000,000 should be adequate to ensure a substantial improvement in housing conditions for the low-income categories and to meet the demand for other houses arising from additional requirements and the need for replacements.

It is extremely unlikely, however, that it will be possible to begin this program in top gear as soon as the war ends. As the labour force of the building industry may have been reduced to about half of its pre-war number of 1,042,000 operatives by the end of the war, some time must elapse before its capacity can be brought up to the projected level. This, indeed, is a crucial point—a potential Achilles heel—and the Government has rightly given it first place in its plans.

No doubt trained men will be rapidly released from the Services, but in order to speed up the process of expansion, a scheme is being prepared for the training of up to 200,000 craftsmen—before the war there was one labourer for each craftsman employed—during the first three of four years of the program. During this initial period it will have to be ensured that the most urgent building is carried out first according to a system of priorities and, if necessary, by the allocation of labour and materials.

To formulate a grandiose ten-year plan is one thing; to carry it out successfully is another. There is the physical problem of labour supply; and, in existing conditions, there is a problem of financial ways and means. A large portion of the program—especially the construction of cheap dwelling-houses, of which many must be built to let—will have to be financed by the Government. It does not follow that the responsibility for the provision of dwellings for the lower-income groups should be entrusted entirely to local authorities; private enterprise ought not to be excluded, provided it can do the job as well or better. The actual task of building will probably best be left to builders on a competitive basis; the Government could avoid jerry-building by prescribing quality standards in consultation with experts and secure their fulfilment by inspection, which may also provide a safeguard against overcharging. The Government is anxious to see the casual form of engaging operatives replaced by a guaranteed period of employment and, to this end, “would consider favourably,” if requested, the continuance, at least during the immediate post-war period, of the statutory provisions requiring builders to observe the terms and conditions of employment agreed in the industry. It must be recognized that this reform, however desirable, may raise costs. The Government’s scheme for training youths for craftsmanship and for management is a big step forward and should lead to an improvement in the quality of the industry’s personnel which might more than offset the cost of the guaranteed period of employment. The emphasis, all the time, should be on ways and means of increasing the industry’s productivity and of keeping it adaptable.

In laying down, even tentatively, a long-term plan for building after the war, the Government has courageously come down from the realm of ideas to that of physical quantities. It was undoubtedly a right step to make a beginning with the industry that can be one of the main “stabilizers” of employment after the war. The new training scheme is a real advance on previous practice. But many practical details remain to be discussed and settled before the program can be launched. There are still obdurate problems to be solved: dovetailing the plan with other claims for capital goods; settling priorities; finance; and the securing of efficiency and flexibility in the industry. But the plan, though it be still in embryo, is evidence of the Government’s recognition of its post-war responsibilities.

TARIFF CHANGES AND TRADE REGULATIONS

Uruguay

CONSULAR INVOICE REQUIRED

A Uruguayan decree of January 18, 1943, published in the *Diario Oficial* of February 1, requires that imports into Uruguay, with a few exceptions, be accompanied by a consular invoice on a prescribed form. This requirement becomes effective ninety days from the date of its publication, that is, on May 1, 1943. Models of the form are to be made available to Consuls General of Uruguay, who will supply them to any interested persons applying for them. They may be printed for such persons’ own use or for sale to others, provided the format and text of the model are faithfully preserved.

WHAT INVOICE MUST CONTAIN

Consular invoices must contain the following data:—

(a) Name of the exporter or shipper; place of embarkation; name and nationality of ship; customs house of destination of the merchandise; name of the consignee or declaration that the merchandise is "to order"; if it deals with air or land transport other than railway, the class and, if possible, the registration of the carrying vehicle.

(b) The country of origin of the merchandise, meaning by that the country of production when dealing with raw materials, or that of manufacture or elaboration when dealing with manufactured articles; the country of shipment, that is to say, that from which the merchandise is shipped direct to Uruguay.

(c) Serial number of the bill of lading; marks, numbers and value of each package.

(d) The quantity and kind of packages, stated in the proper order and specifying if they are boxes, barrels, bales, etc.

(e) The gross weight of each package; the legal weight of the merchandise, or its weight with its container; the net weight, excluding every kind of internal or external package. If it is merchandise in bulk or without container, this circumstance will be stated in the respective columns.

(f) In the case of merchandise which is sold by unit, dozen, dozen pairs, hundred, etc., the invoices will state, as well as the indications shown in the preceding section, the respective quantity.

(g) In the case of merchandise which is sold by measure, such as oilcloth, wood, etc., the invoice must state also the number of metres.

(h) Each kind of merchandise specified in the invoice must have a declaration of its value; the total of the freight and other expenses will be specified separately. It is prohibited to lump the values of different merchandise, even if the customs tariff treatment may be the same. When dealing with merchandise of which it is difficult to establish the weight or the measure of each package, the declaration of the total will be admitted, thus establishing the average of the weight or measure of each package.

PRECISE SPECIFICATION REQUIRED

In the specification of the merchandise required by the consular invoice, general declarations such as "textiles of cotton", "manufactures of iron", and "beverages" will not be accepted. The invoices must express: "textiles of cotton for clothing"; "manufactures of cast iron, steel, painted, etc."; "cognac"; "dyes"; "caustic soda"; etc.

Merchandise must be declared with the proper denominations, in accordance with the sale made by the exporter and shown in the respective commercial invoice. The material or materials that enter into its composition must be declared if its commercial classification depends on this declaration.

In the case of ready-made clothing it is necessary to declare the principal material of the same; also it must be stated whether it is plain, embroidered or ornamented, but a detailed statement of the composition of each one of its parts is not required.

CERTIFICATION OF INVOICE

The invoice must be signed by the exporter and certified by the respective Consular Agent, who will previously examine whenever possible the respective export entry or equivalent document.

Three copies of each invoice must be presented to the Uruguayan consular agent. They may be written in Spanish, English, French, Portuguese or Italian, the steamship company being subject to the obligation of furnishing a translation if this should be demanded. After previous comparison with the bill of lading and the respective manifest and certificate of origin, the Consular Agent will legalize a copy of the invoice and will remit it through the captain of the ship to the Customs at the port of destination. The second copy will be delivered to the captain. The same procedure will be followed, in so far as it may be applicable, for operations by air.

When there is no consular authority at the port of embarkation or at the place of shipment, exporters or shippers will be obliged to send to the Customs at the port of destination an invoice drawn up in the same form as the consular

invoice and certified by a Chamber of Commerce or by an institution which acts in the same capacity, by the Customs authority of the place, or by the Uruguayan consular official nearest to the place of embarkation or shipment.

In any case where the importation of merchandise is authorized without consular invoice, the Customs may require the presentation of a copy of the invoice which has been delivered to the Controller of Imports and Exports or of the commercial invoice.

EXEMPTIONS

The consular invoice is not required for: baggage and vehicles brought in by passengers; materials, arms, munitions of war, uniforms and equipment for the use of the armed forces and of the police; public documents, bills, stamps and other official papers; books, printed matter and periodicals coming in by post; postal parcels and samples whose commercial value in the exporting market does not exceed 100 pesos in Uruguayan money or its equivalent in the money of the country of origin (when they exceed the value of the limit established, entry will be subject to the requirements of these regulations).

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING APRIL 26, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, April 26, 1943, and for the week ending Monday, April 19, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 19	Nominal Quotations in Montreal Week ending April 26	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2731	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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CONDITIONS IN JAMAICA IN 1942

F. W. FRASER, CANADIAN TRADE COMMISSIONER

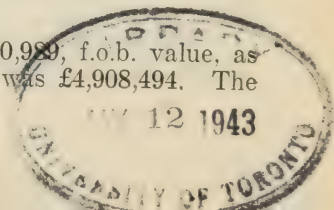
II

IMPORTS

The total value of imports into Jamaica in 1942 was £5,515,034 c.i.f. as compared with £6,517,435 in 1941. These figures include, respectively, £98,118 and £125,598 for parcels post. The grand total for 1938 was £6,485,221. The quantitative decline in imports, due to restricted shipping space, wartime requirements of countries of origin, and short supplies of certain goods (particularly rice and gasoline) normally imported in considerable volume, was greater than the decrease indicated by the figures of value. Among the commodities showing outstanding declines were: boots and shoes (rubber), cement, cotton piece-goods, electrical apparatus, fish (dried cod and pickled mackerel), gasoline, hardware, hosiery, kerosene, lumber, motor vehicles, tires and tubes, paper products, rice, and soap (chiefly fancy). On the other hand, there were increases in 1942 as compared with 1941 in imports of some articles, notably boots and shoes (leather), flour, glass and glassware, meats (fresh), medicines and drugs, milk (condensed), rayon piece-goods, and woollen piece-goods.

EXPORTS

The value of domestic exports in 1942 totalled £3,840,989, f.o.b. value, as against £3,779,959 in the preceding year; the 1938 total was £4,908,494. The



considerable decline below pre-war level (which also is quantitatively greater than is indicated by the figures given, because of the rise of commodity values) was largely offset by the fact that, on account of wartime exigencies, bananas, normally the most valuable item of export, were transferred from the "visible" to the "invisible" category. Total shipments in 1942 were worth only £273,204 (for 1,347,324 stems) as compared with £900,696 (5,588,555 stems) in 1941 and £2,916,956 (23,811,337 stems) in 1938. Although production has fallen off to some extent on account of the prevalence of plant diseases and also of the unavailability of shipping facilities, bananas are grown in considerable volume and are consumed in the Island, the British Government paying planters a subsidy, amounting at present to about £1,000,000 annually. The 1942 exports were mostly made during the first half of that year; shipments of this fruit have entirely ceased for some considerable time.

A transfer from the "visible" to the "invisible" category of imports has also occurred, but in less degree than in the case of bananas, in respect of rum, of which exports in 1942 totalled 415,469 gallons (£379,633) as against 442,003 gallons (£264,675) in 1941 and 899,821 gallons (£247,892) in 1938. There has been no decline in production; the disparity in the export figures cited is due to the fact that, for some considerable time past, London dealers have been leaving their purchases of rum to be stored in Jamaica until the shipping situation improves. It became necessary to provide additional warehouse accommodation for this purpose. The considerable payments for these purchases are not shown in the export trade returns.

Sugar, which has moved from second to first place on the basis of value since exports of bananas were curtailed and then suspended, was shipped in 1942 in the total quantity of 128,375 long tons (£1,620,994) as against 137,312 tons (£1,585,000) in 1941 and 105,034 tons (£859,500) in 1938.

In other items there were both increases and decreases, as compared with 1941, the balance being in favour of the former. Noteworthy were the gains in lard and margarine (made from coconut oil), which represent a new wartime export trade, and in citrus pulp, which offset decreases in grapefruit, oranges, limes and lime juice.

TRADE CONTROL

Control of both imports and exports became stricter and more comprehensive during 1942. This policy was defined and applied in more and more detail following the decisions made at the conference of British, Canadian and United States shipping and supply officers held in Kingston in May, 1942. A system of essentiality certificates in respect of imports has long been in operation, and the practice of bulk purchasing by the Government has been developed. The local system of trade control is closely tied in with those of Britain, Canada and the United States.

At the beginning of 1942 the stocks of imported goods on hand were, in the circumstances, fairly substantial, but several items ran short as shipping became more difficult to obtain. The Jamaica Government, therefore, chartered some locally owned vessels in the service of the British Ministry of War Transport, and also other vessels jointly with the Canadian Shipping Board. The Canadian Government helped by allocating still other ships under its control. In this way reserves of essential foods and other items have been restored. During the periods of flour shortage, supplies of this commodity were obtained from stocks held in Cuba by the United States Government. Owing to the impossibility of obtaining rice, which normally is imported in large volume, purchases of flour have increased to some extent. In general, imports are now limited to bare essentials.

For certain articles of export the Jamaican trade control authority acts as buying and shipping agent of the British and Canadian Government depart-

ments. Honey and cocoa are the chief articles so treated; the Canadian Government bought the 1942 output of the latter commodity. The pimento crop was purchased by the Jamaica Government, and exports were made to consuming countries as allotted by the Combined Food Board in Washington. The last sugar crop, as in preceding years, was bought by the British Ministry of Food.

PUBLIC FINANCE

The total public debt of Jamaica stood at £6,533,162 as at March 31, 1942, and the corresponding figure at the same date of the present year is £6,688,990. The Colony's Reserve Fund stands at approximately £140,000. During the year under review a victory loan of £250,000 was raised. It was also decided to raise a loan of £1,000,000 for unemployment relief. This has been approved by the Secretary of State, but no action has yet been taken.

The Government's estimate of revenue for the year ending March 31, 1943, made at the beginning of this period, was, in round figures, £3,720,000. Expenditure is placed at £4,050,000, leaving an estimated deficit on the year's transactions of £330,000. The revised estimate, however (total revenue, £4,125,464; expenditure, £4,115,346) shows that this deficit is likely to be converted into a surplus of £10,118, or an improvement of £340,000 over the original forecast. This noteworthy improvement is mainly due to increased revenue collections under income tax, excess profits tax and excise duties. A minor factor is better earnings by the government-owned railway, following restriction of road transport. It was originally intended to realize on the reserve fund, which stands at about £140,000, and to bring the proceeds into the 1942-43 revenue, but, owing to the improved budgetary position for that year, this has not been done.

At March 31, 1942, there were 12,860 more taxpayers in Jamaica than twelve months before, and total revenue collections rose by £660,395 in the period preceding that date. The expansion of land settlement was principally responsible for the former increase and also, to some extent, for the latter.

So far as 1943-44 is concerned, the surplus balance carried forward as at April 1, 1943, is estimated at £321,297 including the surplus of £10,118 of revenue over expenditure for the preceding fiscal year, as noted above. Revenue for 1943-44 is estimated at £4,282,240 and expenditure at £4,781,403, leaving an estimated net deficit of £177,866 as at March 31, 1944. The figure for revenue is approximately £156,776 higher than that for 1942-43, and the expectation of this increase is based on the steps that have been and are being taken by the Jamaica Government to improve shipping facilities. This improvement, the Government feels, should have a favourable effect upon the import trade. Expenditure for 1943-44 has been placed at £666,057 above the revised figure for 1942-43. No further increases in taxation are proposed for the 1943-44 fiscal period; but there has been a rise in municipal rates in Kingston and its suburbs.

FOOD SITUATION

The Jamaica Government's scheme for increased production of domestic foodstuffs was placed under new management some time ago and has since made good progress. There is no shortage of fruit and vegetables in the Colony; on the contrary the output of these commodities has expanded in consequence of the food production plan and also the furtherance of land settlement.

Fresh beef is, however, in short supply, due chiefly to: (1) increased demand ensuing from the presence in the Island of a considerable number of war refugees; (2) the breeding of milk stock to supply the local condensary; (3) the extra demand for draught stock on plantations, resulting from restrictions on motor transport. The Government has opened a live-stock clearing house in Kingston to purchase requirements for the city and resell to butchers and has also established in the country districts a comprehensive network of local com-

mittees to regulate supplies. Briefly both live stock and meat are now, in effect, rationed throughout Jamaica.

The Government Marketing Department operates a mill for grinding corn-meal from locally grown maize, a plant for curing ham and bacon, and another plant for mixing feedstuffs, for which local material is used so far as possible, these being supplemented, however, by imported protein concentrates. The Department also buys and sells locally produced fruit and vegetables, fresh fish, and lumber, the last-named being cut to building sizes in a small government-owned sawmill.

Though small so far, the furnishing of assistance to co-operative farming groups is another noteworthy feature of this organization's activities. For such groups it buys tools, seeds and similar requirements. Recently six egg co-operatives and one dealing in cassava by-products have been established. The co-operative movement extends to savings unions, housebuilding in the new land settlements, and in some other directions. As yet it is in its infancy, but lately has made some progress following the establishments of study clubs by private agencies. The Government's policy is to encourage the development of this movement.

TRANSPORT AND LIGHTING

The shortage of gasoline, kerosene and other fuel oils, which were normally imported in considerable quantities, still continues, with the result that the Jamaica Government Railway is carrying far more passengers and goods than it has ever done before. Also animal-drawn transport has been much developed, and the use of small sailing craft to carry goods by sea from Kingston to the outports has notably expanded.

The use of gasoline is limited to essential services, in which motor buses and trucks are included so far as possible, but the use of these has been restricted. In Kingston and the suburbs the electric trams are, as a result, much crowded. The number of bicycles in use has steadily increased; as at December 31, 1942, there were, in round figures, 30,000 of these machines licensed in Jamaica as compared with 17,000 in December, 1941, and 19,000 in December, 1938.

Kerosene was formerly imported in the average annual quantity of about 2,000,000 gallons, but no more than 25 per cent of this quantity is now available. It has for many years been the standard illuminant among the peasantry and poorer classes. Proposals have been put forth for the use of castor oil and coconut oil as substitutes, and experiments have been made, but the progress made has been inconsiderable.

Heavy fuel oil is used to run the machinery for generating electricity. Shortage of such oil necessitated the banning, as from October 1 last, of the use of electric stoves, irons, water-heaters, hot plates, and generally all domestic heating appliances. The use of refrigerators is, however, still permitted, but a ceiling has been placed upon the number of kilowatt-hours each consumer of electricity may use. For the same reason daylight-saving time is adopted during the summer months.

COST OF LIVING

The Labour Department, which compiles data on this subject, places the average increase, in December, 1942, of the cost of living at 56·96 per cent above the August, 1939, level. Of the main items, food showed a rise of 44·16 per cent; rent, 12·01 per cent; clothing, 198·61 per cent; fuel and cleaning, 62·07 per cent; and all other items, 56·96 per cent. It has been decided to keep the general average of increase to 60 per cent by means of subsidies which are in part obtained from the British Government and partly from profits made by the Jamaica Government on its wartime trading operations, already referred to.

GENERAL BUSINESS CONDITIONS

The number of bankruptcies, with total liabilities shown within parentheses, in the Island during recent periods are as follows: 1938-39, 371 (£100,938); 1939-40, 387 (£61,769); 1940-41, 422 (£53,425); 1941-42, 299 (£46,729); April-December, 1942, 159 (£10,567).

The noteworthy downward trend in the war period, as shown by these figures, is probably due to some extent to control of trade and also certainly to the general tightening up of credit during this period.

The effect of the war upon Jamaica's tourist trade is shown by the following return of cruise and stay-over tourists landing each year during the past five years:—

Jamaica Tourist Trade

	Cruise	Stay-over	Total
1938	52,782	9,908	62,690
1939	42,413	7,493	49,906
1940	10,828	4,319	15,147
1941	9,587	4,460	14,047
1942	7,816	3,182	10,998

The decline in tourist custom shown by these figures has been offset in appreciable degree by the permanent residence in Jamaica of Canadian and United States troops and a fair number of war refugees.

Legislation has been passed to effect compulsory war-risk insurance on almost all goods held in Jamaica, but not on fixed property.

INCREASE OF LIQUID CAPITAL RESERVES

There is an abnormally large and increasing amount of ready cash in the hands of the Jamaican people. The operations of the Government Savings Bank are indicative of this condition, which is largely attributable to official expenditure for unemployment relief, development and welfare schemes, defence, and as subsidies to agriculture and trade; to the good prices paid farmers by the Government Marketing Department for vegetables and other locally grown foodstuffs; the disbursements by war refugees; and remittances made to their relatives at home by Jamaicans serving in one or other of the Empire's armed forces abroad and by other Jamaicans in civilian employment in Britain, the Panama Canal Zone and some other countries. Remittances from Panama are now about £400 per month. Quite recently the United States Government has taken preliminary steps to obtain a considerable supply of Jamaican farm labour to harvest the crops in that country.

As at December 31, 1942, the Government Savings Bank carried a total credit balance of £1,024,940 in private accounts and £200,726 in government accounts, and the total number of accounts open was 211,613. These figures are the highest yet reached and represent a substantial increase over those at December 31, 1938. The corresponding figures as at December 31, 1941, were, respectively, £847,464, £142,575 and £202,260. In 1942 the bank opened eight new branches, bringing their total number to 156. The four commercial banks established in the Colony also carry savings accounts. Particulars are not available, but it is known that the total amount standing to the credit of depositors runs into several million pounds sterling and that is growing. Life insurance, too, has considerably expanded, largely due to the increased accumulative liquid capital in the Colony.

UNITED STATES WINTER WHEAT PROSPECTS

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

New York, April 19, 1943.—According to the April 1 report of the Crop Reporting Board, United States Department of Agriculture, adverse weather conditions and the late start of spring growth have lowered crop prospects for winter wheat. While winter wheat production is placed below that of last year, stocks of all wheat on the farms are well above those of a year ago, despite a record disappearance of wheat in the first quarter of this year.

Wheat came through the dormant stage showing widespread damage from severely low and variable winter temperatures and limited surface moisture in some areas. Up until early February, snow cover was sufficient for adequate protection from low temperatures, but this period was followed by severe cold spells and sharp changes from freezing to thawing which resulted in extensive damage to the crops. In the area along the Ohio River and westward through southern Illinois, Missouri and northern Arkansas there was a large loss of acreage. In the southern Great Plains States, shortage of surface moisture was becoming serious by April 1, and the outcome was dependent on timely rains, although alleviated somewhat by fairly adequate subsoil moisture. The Northwestern States suffered a setback because of deficient precipitation from seeding time through the winter, low winter temperatures and a late spring. Weather conditions in the Southwest, particularly in California, have been favourable, and crop conditions are above average.

WINTER WHEAT PRODUCTION

According to the report, the 1943 production of winter wheat is estimated at 558,551,000 bushels, or 144,702,000 bushels under last year's large crop of 703,253,000 bushels, but very close to the 1932-41 average production of 550,181,000 bushels. The reduced acreage due to winter losses and diversion is placed at 10·4 per cent as compared with 6·7 per cent on December 1, 1942, and a 7 per cent 1942 abandonment.

Winter wheat yield per seeded acre is estimated at 14·9 bushels as against 18·3 bushels for 1942 and the 1932-41 average of 11·4 bushels. The April 1 indicated yields are lower than last year's for all the important producing states except California, Indiana, Illinois and Missouri.

WHEAT STOCKS

Stocks of wheat on farms on April 1 are estimated at 327,667,000 bushels, equivalent to 33·4 per cent of last year's production. These reserves are 20 per cent larger than the record 269,145,000 bushels on the farms on April 1, 1942. These farm stocks, which are large in comparison with the January 1, 1943, stocks, are chiefly in an area comprising parts of Wisconsin, Minnesota and Iowa, where feed reserves are being built up, in the Plains States from North Dakota to Texas, and in Montana and Washington, where there was a large 1942 crop. On the other hand, stocks are low in the eastern corn belt states—Ohio, Indiana and Illinois.

During the first quarter of 1943 there was a disappearance of 167,000,000 bushels, the largest on record for this period, as against 104,000,000 bushels in the corresponding quarter of 1942. Movement of farm stocks was heaviest in some central states with heavy feeding needs and in the surplus-producing Plains States.

PROSPECTIVE PLANTINGS IN THE UNITED STATES FOR 1943

C. H. WEST, ASSISTANT TRADE COMMISSIONER

New York, April 20, 1943.—According to the annual survey made by the Crop Reporting Board of the Department of Agriculture, farmers in the United States were planning on March 1 to increase their 1942 acreages of beans, oil seeds, corn and various other crops to meet wartime objectives. The Secretary of Agriculture termed the report "some of the most gratifying news the country has had in a long time".

The total acreages planned for the aforementioned crops amount to about 279,000,000 acres, an increase of nearly 10,000,000 acres, or 3.5 per cent, over the area planted to these crops last year. More than half of this increase is accounted for by the increase of nearly six million acres planned for corn. Another 3.3 million acres of the increase is made up by the larger acreages in the three oil seeds—soybeans, peanuts, and flaxseed. If no more than average adverse weather conditions are encountered, the total acreage of crops carried through to harvest is likely to be larger than in any season since 1932, when the acreage reached an all-time peak, just prior to the great drought.

The following table shows acreages for 1943, although those actually planted in the current year may turn out to be larger or smaller on account of weather conditions, price changes, labour supply, financial conditions, the agricultural program, and the effect of the official report of the Department of Agriculture upon farmers' actions:—

United States Crop Acreages

	Average	1942	1943	
	1932-41		Acreage	Per Cent
			Indicated	of 1942
	Thousands of Acres			
Corn, all	98,524	91,011	96,827	106.4
All spring wheat	20,933	14,194	14,707	103.6
Durum	3,126	2,155	2,103	97.6
Other spring	17,806	12,039	12,604	104.7
Oats	41,354	42,662	42,638	99.9
Barley	13,902	19,448	19,306	99.3
Flaxseed	2,269	4,691	6,051	129.0
Rice	987	1,505	1,505	100.0
All sorghums	15,544	16,109	16,594	103.0
Potatoes	3,221	2,793	3,174	113.6
Sweet potatoes	836	708	813	114.8
Tobacco	1,537	1,380	1,402	101.6
Beans, dry edible	1,942	2,135	2,480	116.2
Peas, dry field	295	501	677	135.1
Soybeans*	6,999	14,222	15,603	109.7
Cowpeas*	3,121	3,407	2,974	87.3
Peanuts*	2,168	4,647	5,230	112.5
Tame hay†	56,649	60,211	60,270	100.1
Sugar beets	902	1,049	740	70.5

* Grown alone for all purposes; partly duplicated in hay acreage.

† Acreage harvested.

One of the uncertainties this year is in respect of the ability of farmers to plant a near-record acreage and care for record numbers of producing live stock and poultry with present manpower on farms. Farm manpower is now at the lowest level in the nineteen years for which estimates are available. As the number of horses and mules on the farms is also lower than at any time in sixty years and few new tractors are available, the extra field work required this year can be accomplished only by working available mechanical equipment more hours per week. However, farmers appear to be confident that the planting and cultivating of most of the crop increases now planned can be accomplished under average conditions. Widely scattered states report unprecedented numbers of women helping in the fields. In many cases members of farm families, irrespective of age or sex, are assisting to keep the tractors operating.

COMPARISON WITH 1942

If March plans are carried out, the increases shown in the foregoing table for beans, peas, soybeans, peanuts and flaxseed would result in by far the largest acreage on record for each of these five crops. Beans and peas are needed as substitutes for meat, while the three last-mentioned crops are in demand for their oils and oil-meals.

As shown in the foregoing table, the acreages in potatoes and sweet potatoes, both increasingly important foods in wartime, will be expanded 14 and 15 per cent respectively. Likewise the acreage of corn, grown chiefly for feeding live stock, will be increased more than 6 per cent.

Plans for oats, barley and rice call for about the same acreages as were planted last year. The indicated increase of 4 per cent for spring wheat would only partially offset the prospective decrease for winter wheat remaining for harvest. Indications are that a greatly increased proportion of the prospective sorghum acreage shown above will be in grain sorghum varieties, and that a smaller percentage will be of the sweet sorghums that are grown mostly for forage.

Reference to the foregoing table shows that the acreage planned for tame hay is about the same as that cut last year. Farmers in the corn belt are planning to reduce hay plantings by about three-quarters of a million acres in order to increase those of corn. Farmers in the South expect to obtain more hay by saving the vines from the largely increased acreage of peanuts. The expected reduction shown in the acreage of cowpeas, about 13 per cent, is due chiefly to the substitution of peanuts and soybeans for this crop in the South. The proposed reduction by nearly 30 per cent in the acreage of sugar beets directly reflects the shortage of farm labour. A large amount of labour is required to take care of sugar beets, and undoubtedly many growers anticipated that this help might not be available in 1943.

PREPARATIONS FOR 1943

Indications are that on March 1 farmers were planning to plant close to the objectives set or the suggested acreages of the Department of Agriculture for wheat, soybeans, beans, grain sorghum, tobacco, and hay. They were preparing to exceed the recommended acreages for flaxseed, rice, oats, and barley by more than seven million acres, but were likely to fall a little short for corn and potatoes and considerably short for peanuts, sugar beets, dry beans, dry peas, and sweet potatoes. Further adjustments in acreage are still possible, but it is noted that in the past the March reports usually supplied a fairly accurate indication of farmers' plans for early crops.

HARVESTING

The problem of harvesting the increased acreage of crops this year may be serious if yields are again high. With average weather conditions, however, crop yields per acre are likely to be about 12 per cent below the exceptionally high records set last year. Allowing for this probability of lower yields, for indications of a slightly increased acreage harvested, and for a slight shift towards more valuable crops, the present outlook is for an aggregate crop production this season about 9 per cent below that of last year. This would not mean a corresponding reduction in the labour required for harvesting, but it would tend to keep the harvesting problem local and seasonal rather than national. Despite the indicated decrease in crop production, total food production will probably be somewhat larger than last year because of the large increase expected in live stock.

ARGENTINE AGRICULTURAL CENSUS, 1942

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, April 10, 1943.—The Division of Rural Economy and Statistics of the Argentine Department of Agriculture has published the figures of the National Rural Census taken on September 30, 1942. This information was compiled from the returns made by 402,500 primary producers and from other data supplied by inspectors of the Department of Agriculture.

An analysis of these figures shows that in recent years Argentina has tended more towards diversification of her agricultural production. There is a decided increase in the area planted to oil-bearing seeds and forage crops at the expense of cereals, as well as substantial increases in the acreages planted to vegetables and orchards.

In regard to the live-stock situation, the report shows that the total number of cattle has decreased by 1,747,787 head, or 5.3 per cent, since 1937, when the last census was taken; on the other hand, the numbers of pigs and sheep have increased by 43.9 and 16 per cent respectively.

LIVE STOCK

The following table shows the total number of each class of live stock in Argentina in 1942 as compared with previous census figures:—

Numbers of Live Stock in Argentina

	Cattle	Sheep	Pigs	Horses	Asses and Mules	Goats
1914	25,866,763	43,225,452	2,900,585	8,323,815	825,226	4,325,280
1922	37,064,850	36,208,981	1,436,638	9,432,421	912,781	4,819,835
1930	32,211,855	44,882,728	3,768,738	9,858,111	1,039,420	5,647,396
1937	33,207,287	43,882,728	3,965,945	8,319,143	781,308	4,649,488
1942	31,359,500	50,902,430	5,707,165	6,756,534	508,739	2,837,989
Inc. or Dec.						
1937 to 1942 . .	— 1,747,787	+ 7,019,702	+ 1,741,220	+ 1,562,609	— 272,569	— 1,811,499
Inc. or Dec.						
Per cent. . . .	— 5.3	+ 16.0	+ 43.9	— 18.8	— 34.9	— 39.0

As shown by the foregoing table, according to this census the numbers of cattle, horses, mules, asses and goats have declined, while those of swine and sheep show substantial increases.

The decrease in cattle is attributed to drought conditions since 1937 in the Andine and northern provinces, and to the desire to increase the herds in the western part of the grain belt. This movement of cattle to these zones has resulted in the reduction in the total head for the provinces of Buenos Aires, the Pampa, San Luis, Santiago del Estero, Corrientes, Salta, and Formosa, which was principally in low-quality and old cows.

The census give the following figures for cattle: cows, 13,653,440; heifers, 4,237,082; steers, 3,240,490; young steers, 2,684,215; heifer calves, 3,210,553; bull calves, 2,923,664; others, 1,510,065.

The ratio of cows to the total number of head is 43.4 per cent as compared with 43.3 per cent in 1937. There was a comparatively more pronounced increase in the proportion of heifers, the percentage in 1942 being 13.5 as compared with 12.5 in 1937. During the months of the census taking—September to December, 1942—milk production was abnormally restricted, due to drought conditions throughout the Republic. According to the census figures, the total number of milch cows for this period was 2,132,000 as compared with 2,847,315 head in 1937, a decrease of 715,315 head, or 25.1 per cent.

The report states that the poor sanitary condition of the animals recorded in the majority of the dairy zones also contributed to the reduction in the number of cows milked.

SHEEP

The total number of sheep at September 30 was 50,902,430 as compared with 43,882,728 in 1937. This represents an increase of 7,019,702 head, or 16 per cent. The most important increases in sheep are in the provinces of Santa Cruz, Chubut, La Pampa, Buenos Aires, Cordoba, Neuquen, Rio Negro, and Entre Rios. This is accounted for by the favourable sheep-breeding conditions in these zones, which have encouraged farmers to increase their flocks, partially restricting other agricultural activities.

The figures for sheep at September 30, 1942, are: ewes, 32,781,277; wethers, 4,510,073; lambs (under 1 year), male, 5,142,168; female, 7,042,900; rams, 1,426,012.

Breeding ewes made up 64.4 per cent of the total in 1942 as compared with 62.8 per cent for the 1937 census.

WOOL

The production of wool from the two summer clips of 1941-42 amounted to 3,798,223 cwts., which was 808,082, cwts., or, 27 per cent, greater than the 1937 figure.

The increase in wool production coincides with the increase in the total number of sheep and readjusts, up to a certain point, the figures of the 1937 census, which at the time were considered to be an underestimate as compared with the quantity of wool marketed. The production is now estimated at 231,000 short tons.

PIGS

The number of hogs recorded in 1942 was 5,707,165 head as compared with 3,965,945, in 1937, an increase of 1,741,220 head, or 43.9 per cent.

The abundant corn crops during recent years, including the 1941-42 harvest, and large stocks of corn from 1939 to 1942 have greatly facilitated hog production in the corn belt, especially the provinces of Buenos Aires, Santa Fe and Cordoba. The failure of the crop in 1942-43 will no doubt cause a levelling off of hog production, and will probably materially reduce the output in 1943.

The number of breeding sows is given as 1,184,343 as compared with 741,940 in 1937, an increase of 59.6 per cent. In 1942, breeding sows made up 20.8 per cent of the total number of hogs as compared with 18.7 per cent in 1937.

HORSES

The total number of horses in 1942 was 6,756,534 as compared with 8,319,143 in 1937, a decrease of 1,562,609 head, or 18.8 per cent. The mechanization of agricultural work, the intensifying of cultivation, and the breeding of cattle, sheep and pigs, as well as the mortality rate among horses, are given as the primary causes for the decrease. Additional reasons for this decline are the increase in the exports of horses and the use of hides from the younger animals by furriers.

Drought conditions in the Andine provinces, especially Santiago del Estero, resulted in the appreciable reduction in the number of asses, mules and goats. The two former have declined by 34.9 per cent, and the number of goats by 39 per cent.

FIELD CROPS

According to the census report, the total land area under cultivation in Argentina has declined by 8.4 per cent. The cultivated area in 1942 was 25,763,568 acres as compared with 28,116,793 acres in 1937, a reduction of 2,353,225 acres. In regard to such crops as cotton, sunflower, corn and peanuts, the census figures do not include the late sowings, and therefore the figures for 1942 would be slightly higher than those shown. The area devoted to leaf

vegetables, flowers and other minor crops have been considered in computing the cultivated area.

The principle reductions are in the area sown to grain crops such as wheat, corn, barley, and linseed, which in 1942 amounted to 17,253,268 acres as compared with 21,059,983 acres in 1937, a reduction of 3,806,715 acres, or 18.1 per cent.

On the other hand, the necessity for devoting this land, formerly used for grain, to crops that would be likely to bring better economic returns encouraged sowings of industrial and forage crops, fruits and vegetables. Therefore industrial crops show an increase of 471,865 acres (40.5 per cent); forage crops, 501,547 acres (9.3 per cent); fruits, 30,073 acres (11.4 per cent); and vegetables, 114,720 acres (51 per cent).

The following table shows the acreages planted to field crops—grain, fodder, roots and other crops—in Argentina in 1942, with comparative figures for 1937:—

Argentine Crop Acreages

	Acreages Sown		Inc.+ or Dec.—	
	1942	1937	Acres	Per Cent
Wheat	16,646,935	19,248,320	—2,601,385	13.5
Barley	1,475,840	1,676,142	— 200,302	11.9
Rye	4,514,461	3,135,159	+1,379,302	44.0
Oats	4,613,103	3,999,152	+ 613,951	15.4
Alfalfa	13,223,241	13,089,900	+ 133,341	1.0
Sudan grass*	864,959	200,401	+ 664,558	331.6
Millet	135,084	75,152	+ 59,932	79.7
Other sorgus*	480,605	†	.....	.....
Hemp	7,672	1,514	+ 6,158	406.7
Flaxseed	6,121,579	8,642,918	—2,521,339	29.2
Corn*	8,780,638	15,045,388	—6,264,750	41.6
Corn de guinea*	104,933	32,508	+ 72,425	222.8
Sunflower*	1,598,053	510,702	+1,087,351	212.9
Rice	101,465	41,051	+ 60,414	147.2
Birdseed	121,534	154,876	— 33,342	21.5
Arrow-root	51,020	39,782	+ 11,238	28.2
Soy beans	32,962	5	+ 32,957	.....
Cotton	883,005	927,386	— 44,381	4.8
Tobacco	42,637	26,970	+ 15,667	58.1
Potatoes†	393,520	171,371	+ 222,149	129.6
Sweet potatoes	50,297	66,290	— 15,993	24.1
Rape seed	61,305	16,272	+ 45,033	276.7
Turnip	33,261	†	.....	.....
Peanut	300,061	314,562	— 14,501	4.6
Sugar cane	517,287	463,624	+ 53,663	11.6
Garlic	16,450	1,719	+ 14,731	856.9
Peas	61,814	24,865	+ 36,949	148.6
Onions	20,909	5,360	+ 15,549	290.1
Strawberries	1,685	†	.....	.....
Chick-peas	16,265	23,667	— 7,402	31.3
Horse beans	4,555	1,944	+ 2,611	134.3
Lentils	40,735	924	+ 39,811	4,309.6
Lupins	16,426	2	+ 16,424	.....
Melon	15,941	†	.....	.....
Watermelon	32,098	2,764	+ 29,334	1,061.3
Pepper	11,757	3,213	+ 8,544	265.9
Beans	75,542	62,822	+ 12,720	20.2
Cabbage	6,032	†	.....	.....
Asparagus	2,008	1,689	+ 319	18.9
Tomato	22,373	4,999	+ 17,374	347.5
Squash	47,449	3,470	+ 43,979	1,267.3
Others	42,084	†	.....	.....

* Area planted at September 30, 1942.

† Does not include second sowing in zones planted with successive crops.

‡ Figures not available.

The foregoing table shows that the principal decreases in acreages are for corn, wheat, and flaxseed. The acreages sown to rye, Sudan grass and oats were increased on account of the possibility of their use in the live-stock industry.

The increased demand for vegetable oils accounts for the larger area sown to sunflower seed. With the exception of chick-peas and sweet potatoes, all vegetable crops show an increase over the 1937 figures.

The numbers of fruit and other trees on farms in 1942, with comparative figures for 1937, were as follows:—

Argentine Fruit and Other Trees

	Number of Plants		Inc. or Dec. (—)	
	1942	1937	Number	Per Cent
Apple†	6,054,725	4,081,528	1,973,197	48.3
Pear†	4,377,577	3,130,226	1,247,351	39.8
Paltas†	15,314	4,452	10,862	244.0
Plums*	2,234,469	1,157,968	1,076,501	93.0
Apricots*	884,421	420,677	463,744	110.2
Peaches*	10,961,565	8,510,263	2,451,302	28.8
Cherries*	338,351	321,176	17,175	5.3
Quince†	1,983,956	2,005,830	— 21,874	— 1.1
Figs†	564,166	186,396	375,770	199.5
Almonds*	116,830	10,387	106,443	1,024.8
Oranges*	7,380,577	3,878,719	3,501,858	90.3
Lemons*	1,579,832	273,742	1,306,090	477.1
Grapefruit*	196,659	71,004	125,655	177.0
Mandarines*	3,803,187	1,870,800	1,932,387	103.3
Olive†	521,245	231,625	289,620	125.0
Olive	2,294,877	303,348	1,991,529	656.5
Grapes, table	46,135,508	37,508,900	3,626,608	23.0
Grapes, wine	420,086,366	445,097,700	— 25,011,334	— 5.6
Bananas†	756,847	332,930	423,917	127.3
Chirimoyas†	12,828	3,099	9,729	313.9
Kakis†	26,168	13,492	12,676	94.0
Nisperos (medear-tree)†	65,359	9,666	55,693	576.2
Guayabos (Guava tree)†	11,138	10,379	759	7.3
Walnuts†	207,625	75,178	132,447	176.2
Tung†	1,383,373	408,270	975,103	238.8
Yerba mate†	63,339,892	54,496,353	8,843,539	16.2

* More than 3 years old. † More than 5 years old. ‡ More than 7 years old.

In comparison with 1937 there was an appreciable increase in 1942 in the number of trees bearing the principal species of fruit. The only decreases were for quince and wine grapes.

NEWFOUNDLAND'S REFRIGERATION INDUSTRIES

From the Newfoundland Journal of Commerce

During the year under review (1942), refrigeration industries, like many others, have been seriously affected by wartime conditions; expansion has been retarded owing to the very great difficulty in obtaining the necessary equipment.

In the same period an increasingly large portion of the available cold-storage space, especially in St. John's, was used for the storage of meats and other foodstuffs for the armed forces. This, in a small measure, helped to compensate for the curtailment of other cold-storage activities.

COD FILLETS

The production of cod filets, especially on the southwest coast, where there is a winter fishery, opens the cold-storage activities for the year, and, as the freezing of various kinds of fish constitutes the biggest single item of cold storage work, the success of the winter fishery plays an important part in the total production for the year.

The various firms engaged in cold-storage business operate plants on the southwest coast, and the Monroe Export Company has, during the year, completed the erection of a large and modernly equipped freezing and storage plant,

fish-meal plant and other subsidiary industries associated with these operations. Unfortunately this plant was burned quite recently and the loss will be a very severe one, not only to the owners but to the country as a whole, and especially to the people living on the southwest coast.

Cod fillets frozen in Newfoundland are being exported to England, Canada and the United States, and for the year ending December 31 the production by all parties was approximately ten million pounds, which is a substantial increase over previous years. The value of this production at present-day prices is considerably over a million dollars.

On the east coast of Newfoundland there is considerable activity in cold-storage plant extensions and the building of new plants. This will help increase production, and we sincerely hope that this pioneering work is the beginning of a new and valuable industry to this section of the country.

We are informed that the Newfoundland production was considered of good quality and is finding a fairly ready sale in all markets.

SALMON

The loss of the English market, because of the war, was a severe blow to the salmon industry, but small quantities are still being frozen and exported fresh to Canada and the United States. The fishery is, however, not being operated to the extent of normal times, but, owing to the generally improved earning powers in the country, the loss to the fishermen is not nearly as great as it otherwise would be. The light fishing during the war should prove of great benefit to us after the war is over, in that it will have provided an opportunity for the salmon to increase in numbers.

The quantity of canned salmon put up during the current year was again below a normal pack, although there was keen demand and, of course, at a high price on account of the shortage. In normal times several thousand cases of salmon are exported yearly to Canada, but the exports during the present year were very small.

BLUEBERRIES

For the duration of the war it would seem that the production of blueberries is going to be well below normal because of the difficulty of obtaining the services of pickers. During the past summer the pickers received 30 cents per gallon on the grounds for all the berries picked by them, but even at this price and the good weather that prevailed during the picking season, the total production of blueberries was only approximately 55,000 boxes having an export value of some \$200,000.

The firms interested in the blueberry business are working in co-operation with the Forestry Division of the Government in the systematic burning of grounds in the hope of improving the quality and quantity of the berries, and it is hoped that, when the war ends, Newfoundland will be in a position to export much larger quantities of berries than heretofore.

The blueberry business has come to be regarded as a valuable industry. So far the exports have been mostly of frozen berries, but, with progress in aviation, we may quite confidently look forward to this means of transportation for our entering the United States market for the sale of fresh fruit.

SMELTS AND SCALLOPS

The catch of both smelts and scallops has again been below normal for the same reason that other productions have suffered. The demand for both products is good, especially for fresh and frozen scallops. We believe that the extension of this fishery will eventually provide an earning power for a large number of people, especially on the west coast.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

CHANGES IN IMPORT LICENSING REGULATIONS

A bulletin issued by the Australian Customs Representative in New York on April 21, 1943, states that a number of amendments have been made in the import licensing regulations of Australia. The changes consist principally of placing under "administrative control" certain goods that were formerly admissible by licence up to specified percentages of importations in the base year ended June 30, 1939. This means that each application for an import licence for such goods is now considered on its merits by the Division of Import Procurement. Among the articles that are now under "administrative control" when coming from countries in the non-sterling area (which includes Canada), with the quotas previously applicable, are: anti-friction and plastic metal (100 per cent); platinum (100 per cent); zinc tubing, shavings, and lithographic sheets (100 per cent); zinc circles and ingots for gold cyanide process (100 per cent); unspecified plates for engravers and lithographers (50 per cent); metal foil and leaf, except gold (50 per cent); steel, rough-shaped, for chaff-cutter and other knives (100 per cent); wrought iron tubing over 6 inches internal diameter (100 per cent); spectacle lenses (100 per cent); shellac (75 per cent); emery, oil and whet stones (50 per cent); potassium and sodium bi-chromate and chromium sulphate (75 per cent); other chromium salts (100 per cent); clinical thermometers (100 per cent); filter paper (100 per cent); electric warning devices for vehicles, for replacement purposes only (100 per cent); replacement parts for cream separators (100 per cent); mathematical instruments (90 per cent); crude asbestos (50 per cent); scrap metals (100 per cent); high-gradé ferrous alloys (100 per cent); unspecified metals (100 per cent); activated carbon (100 per cent).

Fibreboard and ferro-silicon, formerly in the "no licence" category, are now under administrative control. Baking pans, frying pans, coffin furniture, and steel scaffolding are transferred to the "no licence" category.

A number of changes have also been made in the schedule of goods from sterling countries. Most of these consist in placing the articles affected under administrative control, but a few goods have been transferred to the "no licence" category.

Bahamas

EXPORT TAX IMPOSED ON SPICES

Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, writes under date April 21, 1943, that a law passed in the Bahamas on May 21, 1942, to protect the spice-producing industry established in the Bahamas under American auspices, went into force on March 11, 1943. The law provided for a minimum rate of export tax on locally produced spices and herbs for a ten-year period. The minimum rate of export tax imposed by the law is 15 per cent ad valorem and the maximum 25 per cent, the minimum rate to be applied as soon as the law became effective. There is provision for granting, in effect, tariff preferences to producers by exempting only one person at the same time from the export tax. Details of the measure were published in *Commercial Intelligence Journal* No. 2014 (September 5, 1942), page 233.

British Guiana

ENTRY TAX CONTINUED

An entry tax of 3 per cent ad valorem on goods imported into British Guiana, first imposed in 1932 and continued from year to year, was further

extended to December 31, 1943, by an Ordinance of December 26, 1942. The entry tax applies to all imported goods except articles for governmental and municipal purposes, aircraft and parts, books and newspapers, articles for wireless stations, articles for the official use of foreign consulates, and goods named in the third schedule of the Customs tariff dutiable at 2 per cent ad valorem British preferential tariff and 5 per cent ad valorem general tariff.

St. Vincent

WAR TAX ON IMPORTS

A St. Vincent War Tax Ordinance of March 19, 1943, imposes a war tax of 20 per cent of the duty on malt liquors, spirits, wines, and tobacco, and of 10 per cent of the duty on all other dutiable goods imported into St. Vincent with the following exceptions: rubber footwear; dried, salted, smoked or pickled fish, other than salmon, trout and mackerel; rice; flour and meal; matches; condensed and other kinds of milk; and unmanufactured leaf black tobacco.

DUTY REDUCED ON RUBBER FOOTWEAR

A St. Vincent Ordinance of March 19, 1943, reduced the British preferential tariff on boots and shoes wholly or partly of rubber, except those with leather uppers, from $12\frac{1}{2}$ per cent to 10 per cent ad valorem, and the general tariff from $12\frac{1}{2}$ per cent ad valorem plus 1s. per pair to 10 per cent ad valorem, the same as the British preferential rate.

Newfoundland

DUTIES SUSPENDED ON CERTAIN MEAT PRODUCTS

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, writes under date April 30, 1943, that the Commissioner for Finance for Newfoundland announced on April 27 that the duties on barrelled beef and pork and canned meats, covered by tariff items 38, 39 and 44, would be suspended until further notice. This action was originally taken in December last to reduce the cost of living in Newfoundland and is being continued for the same purpose.

United States

QUOTA SUSPENDED ON WHEAT AND FLOUR PURCHASED BY WAR FOOD ADMINISTRATOR

A proclamation of May 28, 1941, of the President of the United States, which established quotas for wheat and wheat flour imported or withdrawn for consumption, was suspended by a President's proclamation of April 23, 1943, in so far as it affected imports by the War Food Administrator or any agency or person designated by him. The 1941 proclamation fixed the total wheat quota at 800,000 bushels for the 12 months' period beginning May 29, 1941, of which 795,000 bushels were allocated to Canada, and fixed a quota for flour at 4,000,000 pounds, of which 3,815,000 pounds were allotted to Canada.

Uruguay

CONSULAR INVOICE FORMS

With reference to the article in last week's issue of the *Commercial Intelligence Journal*, page 364, regarding the new Uruguayan consular invoice requirements, Mr. S. Rivas Costa, Acting Consul General of Uruguay, 17 Battery Place, New York, N.Y., writes that the forms for the consular invoice may be obtained at his office for 5 cents per set of three, plus postage. Shippers may also print these forms at their own expense, provided the size and text of the original form is followed. The charge for consular legalization of the invoice is U.S.\$2.

EXCHANGE CONDITIONS IN ECUADOR

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, April 16, 1943.—A system of strict exchange control was reintroduced in Ecuador on June 3, 1940, and is still in operation. The present official dollar rates of exchange of the Central Bank of Ecuador are 13·70 sucres buying and 14·10 sucres selling for one United States dollar. Taking into consideration the official rates as between Canadian and United States dollars, approximately 12½ sucres equal one Canadian dollar, or one Ecuadorean sucre equals about 8 cents Canadian.

Credit facilities seem to be ample, and collections are being taken up promptly with no apparent difficulties. The Central Bank has high dollar exchange reserves, but officials have stated publicly that no further appreciation of the sucre is contemplated for the near future. The economic situation is good, although there is considerable evidence of inflationary tendencies. For importers the chief difficulty is to obtain delivery of merchandise ordered from overseas.

IMPORT PERMITS

Imports are subject to permits, which are granted to importers on a quota basis relative to their capital and previous volume of imports. A certain control is maintained with regard to the importation of luxury goods and those which compete with nationally manufactured articles. As a precautionary measure a Canadian exporter should not ship unless the dealer in Ecuador has supplied him with a duplicate copy of the relative import permit (*Permiso de Importaciones*).

Importers are required to make application for exchange before placing orders abroad. When this is granted, the Central Bank puts the exchange aside to the order of the importer, so that it is available for payment against shipping documents.

LETTERS OF CREDIT

Importers may also open letters of credit, which can only be established through the Central Bank of Ecuador, as this bank alone is empowered to handle such transactions. Formerly the Central Bank required a cash deposit of 100 per cent of the value of the confirmed letters of credit. By decree of March 21, 1942, the Central Bank is now permitted to issue confirmed letters of credit for the importation of merchandise upon the importer's depositing 25 per cent of the value of the letter of credit in cash and the remaining 75 per cent in the form of such guarantees as the Board of Directors considers necessary. The same decree also provides that government departments, state railways, the Southern Railroad and the Loan Bank of Ecuador shall not be required to deposit the 25 per cent in cash for merchandise; these will only have to submit satisfactory guarantees for the full amount to the Board of Directors.

The Customs and parcel-post offices will not deliver imported goods unless proof is furnished that the covering exchange has been obtained through the Central Bank of Ecuador. Merchandise that has been sold on a time-draft basis is delivered only upon certification that the purchaser has accepted the draft and a bank guarantee of reimbursement with funds provided by the Central Bank of Ecuador. Imports may also be effected through letters of guarantee that are established by Ecuadorean commercial banks, by which the commercial bank itself guarantees the credit risk.

TERMS OF PAYMENT AND QUOTATIONS

Concerning terms of shipment to Ecuador, Canadian exporters forwarding goods to unknown customers should insist on letter of credit or letter of guarantee. However, since the Exchange Control sets exchange aside for approved orders, sales on a sight-draft basis, or even on short-term credits, can be made to reliable importers. Should an importer refuse to pay a draft for

which the foreign exchange has been earmarked, he is not to be granted further exchange facilities; in other words he will be unable to obtain additional imports.

When making quotations to Ecuadorean firms, shippers in Canada, in order to avoid confusion, are advised to quote prices in United States dollars, as this is the most common medium of exchange in Ecuador. Also, by the regulations of the Canadian Foreign Exchange Control Board, final settlement for Canadian goods despatched to Ecuador must be effected in United States dollars. However, if for some reason quotations are made in Canadian dollars, a clear indication should be given of the exchange allowance granted to convert these offers into United States funds.

DOLLAR NOTES

There is a control over dollar notes in Ecuador and it is now illegal to use these in any transaction. Holders were obliged to surrender their dollar notes to the Central Bank before August 31, 1942. According to financial circles, approximately \$525,000 was turned in to the bank. There is a small black market in dollar notes, as US\$50 may be carried by travellers on entry into the United States. The rate for notes in this market has dropped as low as 6 sucres to the dollar, but this rate fluctuates on occasion up to about 10 sucres.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 3, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 3, 1943, and for the week ending Monday, April 26, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending April 26	Nominal Quotations in Montreal Week ending May 3	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2731	.2786	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5877	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

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C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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AGRICULTURAL CONDITIONS IN THE UNITED KINGDOM IN 1942

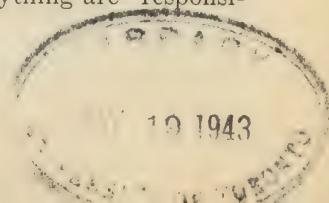
G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

I. Production and Marketing

London, April 15, 1943.—The further development of wartime agriculture in the United Kingdom along the lines of still greater self-sufficiency has been one of the major achievements in 1942. Notwithstanding the increased drain on manpower by the armed forces and industry, British agriculture has once more reached new heights in production of foodstuffs.

In 1939 domestic production provided little over 30 per cent of the food requirements of the 47,000,000 people in the United Kingdom; for 1942 it has been estimated that over 60 per cent of the total food necessities were home grown, and it is fully expected that at least another 10 per cent can be added in 1943. The important acreage increases have been in wheat and other coarse grains, potatoes, vegetables and sugar beets. The weather favoured high yields but in some areas it was not so satisfactory for harvesting. However, generally speaking, crops were reasonably good, and much saving in shipping will result.

Too much credit for this increased productivity and general efficiency of British agriculture cannot be given to the County War Agricultural Executive Committees. Their only "terms of reference" that mean anything are "responsi-



bility for the production of more food". Unencumbered by red tape and clothed with authority, they have approached their problems with directness and understanding. They have not hesitated to advise, prescribe, and, where necessary, evict, in order to reach their goals. Their achievements speak for themselves, and it would be surprising if some similar organizations, with modified powers, were not demanded by British farmers in the post-war period. This country is farming conscioius to a degree perhaps never before experienced, and it is most unlikely that a return to the pre-war state of apathy towards British agriculture will be permitted.

LABOUR

Provision of a minimum wage has helped to stabilize the agricultural labour position. The call-up to the armed services has further reduced the numbers of agricultural workers available, but the continued increase in the use of mechanized equipment and the steady rise in the numbers enrolled in the Women's Land Army have helped greatly to overcome any serious reduction in manpower. The temporary release of sailors, soldiers and airmen and the excellent part-time co-operation of urban dwellers have contributed greatly to the labour problem during the critical periods of harvesting. More co-operation between farmers and groups of farmers is in evidence, and the "farm bee" has become an institution. Labour was only one of the many problems solved by the County War Agricultural Executive Committees. The chief factor limiting further increases in arable crops and milk production is the manpower situation.

PLOUGHING-UP CAMPAIGN

It is estimated that by 1942 an additional 6,000,000 acres had been added to the pre-war cultivated areas in the United Kingdom. This is roughly an addition of 50 per cent to the pre-war acreage devoted to cultivated crops, including hay in rotation. It was estimated that this was approximately the limit of cultivation, but recently the Minister of Agriculture called for an additional 750,000 acres in 1943.

This whole problem has been attacked systematically and scientifically. It was realized early in the war that increased power was one of the most important needs. Therefore farm tractors have been increased in numbers until about 120,000 are now working in the United Kingdom as compared with about 55,000 in 1939. The utilization of park land, commons, golf courses, grazing lands, marsh lands and other areas normally non-agricultural has been thoroughly investigated. Such areas have been farmed by the County War Agricultural Executive Committees, it being recognized that production of normally uneconomic yields would still result in a saving in shipping. Drainage schemes and assistance in farm drainage have brought many acres into production.

AGRICULTURAL PRODUCTION

The whole wartime agricultural policy of the United Kingdom has been designed and developed through the close co-operation of the British Ministries of Agriculture and Food. Home production has been planned to provide the nutritional needs of the nation consistent with the efficient utilization of the soil, having regard for available shipping space for imports and, to a lesser degree, the tastes of the public. This, in brief, means that primary emphasis has been placed on an adequate supply of fluid milk, an abundance of potatoes, as much of the bulky foodstuffs, such as wheat and cereals, as possible, with beef cattle and sheep being allotted a lower priority and hogs and poultry placed last on the list.

Although the total production of milk was about 12 per cent less in 1942 than in the pre-war period, it is significant that the fluid milk consumption was 20 per cent greater. This means that, regardless of higher dairy cattle numbers, most of the increase was in young stock not yet in milk. The absence of sufficient feeding-stuffs was reflected in the lower average milk yield per cow. Furthermore, the amount of milk going into the production of milk products, such as cheese, butter, powder, etc., had been greatly reduced.

As already indicated, there has been some increase in the numbers of dairy cattle. This has been brought about in two ways: first, the increased interest in the breeding of dairy cattle, and, second, the diversion to dairy herds of some of those cattle that were formerly considered as beef cattle but which are probably more correctly classed as "dual purpose". The total number of cattle has shown only a slight increase during the past three years, but, for the above reasons, and in view of the shortage of feeding-stuffs, there has been a noteworthy decline in the total weight of meat (beef) produced. There has been some slight reduction in veal also and a rather serious decline in the production of mutton and lamb. The curtailment in flocks was more in evidence in the hill districts, where it was considered by some that the subsidy was not sufficient to encourage the maintenance of the flocks on a normal scale, but there has been some increase in the number of sheep raised in other areas where folding is practised; the decline in sheep is probably about 20 per cent.

In the live-stock program, hogs have been given last place so far as feeding-stuffs are concerned; the resultant fall in hog production has been most marked, and this has been particularly reflected in the production of fresh pork, which is now only approximately 10 per cent of the pre-war figure. Bacon production by commercial pig producers, has declined by at least 50 per cent, although there has been some increase in the number of pigs raised in urban districts by small holders.

It is difficult to provide an estimate of the poultry position. It is known that there has been an appreciable reduction in the number of hens reared on farms and by commercial poultrymen, but this has been partially offset by the increased numbers kept by "back-yard poultry-keepers". The scarcity of feeding-stuffs has directly affected the production of eggs, and this has been amply confirmed by the figures of shell eggs that have been available to the consuming public during the year.

MARKETING

Cereals.—The average prices paid for all wheat during the year ranged from a low of 14s. 11d. per cwt. in January to a high of 16s. 5d. in December. For oats the averages varied between 14s. 7d. and 15s. 9d. per cwt. Averages for both of these crops correspond to the controlled prices, allowing for seed sales. In the case of barley, however, much wider variations occurred, as control of malting barley was not effective until July 15. Before that date prices averaged from 34s. 5d. to 63s. 5d. per cwt., and record prices as high as 85s. per cwt. were paid at Norwich during two weeks in February. From mid-July to the end of the year, averages varied only slightly between 33s. 5d. and 35s. 6d. per cwt. These prices are in line with the controlled price of malting barley—35s. per cwt.

Feeding-stuffs.—All feeding-stuffs continued to be rationed and subject to maximum prices. It should be noted that the total supply of imported feeding-stuffs amounted to only 20 per cent of the pre-war imports, and 90 per cent of this quantity consisted of by-products derived from wheat and oil seeds imported from overseas and processed in the United Kingdom.

Fertilizers.—During 1942, artificial manures continued in reasonably satisfactory supply, were carefully rationed, and were subject to maximum prices. Phosphate supplies have been most seriously affected by the war, and some restriction in their application has been necessitated. As a consequence they

were not allowed to be used as top dressing on grassland. The 1943 position may be eased in view of the present situation in North Africa, but this will be largely dependent upon available shipping.

Horses.—The number of horses in the United Kingdom was estimated to be about 7 per cent less in 1942 than in 1939. The increase in land devoted to cultivated crops has been brought about largely through greater dependence on the use of tractors and tractor-drawn equipment. At the same time the shortage of petrol and tires has increased the demand for horses as a means of motive-power in the urban areas. There was keen bidding and high prices at horse sales held throughout the country in 1941. During 1942 the averages for nearly all types of horses were considerably higher than in the preceding year.

At the Lanark sale in March, Clydesdale geldings averaged £20 per head higher than in 1941, and mares brought £19 more. The average for 99 geldings was £91 5s. 5d., and for 43 mares it was £74 6s. The top price at the sale was 220 guineas for a gelding. At the Lanark October sale 174 aged geldings averaged £109 14s. 3d. as compared with £84 17s. 9d. in 1941; three-year-olds averaged £91 11s. 1d. compared with £77 in 1941. At this sale the top price was £300 for a five-year-old gelding.

The Carlisle show and sale in February reflected the trend, as the range was from 100 to 184 guineas. At the spring sale at Preston good geldings brought up to 158 guineas, and in October this top was raised to 170 guineas. At a sale in Crewe Shire, foals brought as high as 155 guineas.

There was a good demand in all sections for heavy draught horses, with prices as indicated; vanners also were in demand, and prices as high as 170 guineas were recorded, the average for good type animals running between £70 and £100. The highest price recorded for a stallion during the year was 5,600 guineas; this was paid for the six-year-old Clydesdale stallion "Ambassador".

At two sales of Suffolk Punches the averages were £116 for 132 head and £100 for 200 head of mares, fillies and geldings.

Cattle.—Controlled prices for slaughtered cattle were announced well in advance and were designed to encourage delivery of animals to slaughter centres so that supplies of beef would be provided as and when required to fit in with the volume of supplies of other types of home-produced carcass meat and the expected arrivals of overseas shipments.

Prices of feeding cattle are still uncontrolled except in so far as final prices for slaughter naturally exert some influence on the maximum prices that can profitably be paid for feeders and stockers. Price ranges were as wide as usual, but the averages did not differ greatly from those of 1941. The highest weekly average for two-year-olds was £26 5s., reached during the week ending May 23. The lowest average was £22 13s. 4d. in the week ending February 28. For yearlings the highest average, reached in the week ending September 12, was £17 7s. 6d., and the lowest, in the week ending February 14, was £14.

Dairy Cattle.—A keen demand continued for dairy cattle of all kinds throughout the year. Grade cows and heifers continued to make high prices at local markets. Averages for milch cows ranged from a high of £51 4s. in the week ending January 10 to a low of £37 13s. 4d. in the week ending June 13. Following the low period, prices gradually rose until at the year's end they were at almost the same level as when it began. The same trend was noted in heifers with or in calf for the first time; the highest average, reached during the week of December 5, was £47, and the low, during the week of June 20, was £36 12s. The high price of £100 was reported for a heifer near her first calf, sold at Shrewsbury market in December, 1942.

Pure-bred cattle were also in good demand throughout the year, with high prices being recorded for nearly all breeds. It is interesting to note that the twenty-year-old record was broken in dairy Shorthorns when a five-year-old cow brought 1,000 guineas at a sale in June. At the same sale the average for twenty-two cows and heifers was £293 per head.

As usual Friesians were in popular demand, with many sales listed and record prices reported. The highest price recorded for this breed was 3,060 guineas, paid for a seven-year-old bull in January. In October, at a sale of Ayrshires, the average price realized was the highest ever obtained at a sale of this breed. The fifty heifers comprising the female portion of the offering made on average £258 4s. per head, while twelve young bulls averaged £417 per head. Three animals made over 700 guineas, seven over 500 guineas, twelve over 400 guineas, twenty-nine over 300 guineas, and forty-two over 200 guineas. A new world's record for this breed was realized in November, when a young Ayrshire bull brought 2,300 guineas.

Sheep.—The market price of grade breeding ewes did not vary much from week to week, and averages generally show a range throughout the year of from 50s. to 75s. per head.

The interest in breeding stock is once again reflected in the prices paid at various times. A Blackfaced ram lamb broke the twenty-year-old record for prices for that breed when £300 was paid. At the same sale Shearling rams sold up to £280, and a lot of seventeen averaged £41 17s. 2d. as against an average of £30 2s. 4d. in 1941.

At a sale of Suffolk rams, held in August, one lamb sold for 350 guineas. Letting figures for Hampshire ram lambs made new records when two were let for 650 and 620 guineas each.

Swine.—Hog production, which suffered its principal curtailment during the year ending June, 1941, still showed reductions in numbers throughout 1942. The numbers of breeding sows now kept are less than 45 per cent of the pre-war figure. Present marketing of slaughtered stock go largely into bacon production, whereas before the war pork represented 56 per cent of the total of home-produced pig-meat sales.

The price of pigs, eight to ten weeks of age, varied from 21s. 4d. to 43s. 1½d. on the average during the year, and for those twelve to sixteen weeks old, they ranged from 49s. 6d. to 80s. This is a somewhat wider range of prices than was recorded for the previous year.

Sales of pure-bred pigs were marked by keen bidding and generally high prices. Reports of some of the auctions show prices as follows: At a sale of large whites in February the average reached was £38, with one boar making 105 guineas. In March a Tamworth gilt fetched the remarkable price of 230 guineas, the highest price recorded for many years. Two Essex gilts were sold at an April sale at 160 and 100 guineas each. At this auction 75 served gilts averaged £33 16s. 6d.

1943 PROSPECTS

As has been already indicated, a further extension of the ploughing-up campaign has been ordered by the Minister of Agriculture. In a call to all farmers in the United Kingdom in December, 1942, he asked for an additional 600,000 acres of wheat in 1943. Furthermore, he said, it was necessary to have a substantial increase in the acreage sown to barley, the extra returns from which would be largely utilized for flour. The Ministry of Food has also emphasized the importance of increased home production of wheat and other bread-producing products. One slogan of the Ministry has been "eat more potatoes".

Further attention is being paid by the Government to the welfare of dairy cattle. There is not likely to be any significant increase in the numbers of dairy cattle at present, but every effort is being made to maintain and, if possible, improve the present efficiency of the herds. One of the interesting developments is the introduction of the "Veterinary Panel", which was described in a report entitled "Milk Production in the United Kingdom", published in *Commercial Intelligence Journal* No. 2013 (August 29, 1942).

UNITED KINGDOM BUDGET

J. A. LANGLEY, CANADIAN TRADE COMMISSIONER

London, April 14, 1943.—When introducing the budget, the Chancellor of the Exchequer pointed out that the external burdens which the country is currently carrying and future obligations in the interests of the war effort are not sufficiently appreciated. External costs were met in ordinary circumstances by exporting goods and services. For the first two years of the war this was the policy, but now labour and materials cannot be spared to produce the exports or the shipping to convey them. Recently, the volume of United Kingdom exports available for sale abroad has fallen to about 25 per cent of the pre-war volume.

The lend-lease system provided the answer to this problem, and in this connection the Chancellor expressed appreciation of the generosity of Canada's financial contribution of one billion dollars for the common effort. At the same time he stated that the lend-lease arrangement was not one-sided, and gave details of the reciprocal aid being granted without charge by the United Kingdom to her Allies.

Apart from that with the United Nations, essential import trade has to be financed along normal lines. Exports cannot provide more than a trifle towards these expenses, and heavy borrowing has had to be resorted to. These expenditures have brought the total of what the official paper calls "overseas disinvestment" in 1942 to £630,000,000, and the corresponding figure for this year is likely to be about the same. Internal costs of the war, even when they are covered by borrowings, have to be met in the main out of current efforts and output. External obligations, on the other hand, are altogether another matter and will bring problems far more difficult to solve. The United Kingdom will have to face a heavy reduction in external wealth.

DOMESTIC FRONT

The outstanding features of the domestic front are still the growing cost of the war, the sums to be raised by taxation to meet it, and the borrowing program necessary to provide the balance. War costs have now reached £13,000,000,000 and the total of all expenditures, including debt charges and normal civil services throughout the war period, amounted to £15,600,000,000. Last year the bill for the war was £12,500,000 a day; it is now £15,000,000. Social services which cost £160,000,000 in 1938 will cost £219,000,000 in 1943. In these conditions the Chancellor emphasized the necessity of avoiding waste and extravagance.

During the past year the returns from taxation reached the unprecedented total of £2,483,000,000, which included more than £1,000,000,000 of income tax. Of all expenditures since the war began, 44 per cent in the aggregate has been met from current domestic revenue. The percentage had risen year by year from 36 in 1940 to 46 in 1942.

Despite these large yields, the borrowing program is formidable. From the beginning of the war until the present the Treasury has borrowed £8,667,000,000. The favourable rates of interest available have been due to two main factors: first, the controls which had reserved the capital market primarily for war purposes; and, second, the variety of the sources which had been tapped for subscriptions to government issues. Small savings accounted for 21 per cent of total borrowings, but the Chancellor stated that there was still an appreciable margin of personal expenditure on non-essentials which could be curtailed.

PRICE CONTROLS

With a view to stabilizing prices, the Government has pursued a policy of subsidies and tax remissions. In furtherance of this policy, control has been extended step by step over the prices of food and other essential commodities. In respect of food, price control now covers probably 90 per cent of the average

housewife's expenditure; the cost is estimated at some £180,000,000 a year. This year another important exemption from the purchase tax is proposed by freeing from the tax all utility cloth and textile articles used for domestic purposes that comply with Board of Trade utility conditions.

FINANCIAL POSITION IN 1943-44

The total revenue to be provided in the budget for 1943 is £5,756,000,000. Towards that total it is estimated that overseas disinvestment would provide £600,000,000. Thus the figure of expenditure requiring domestic finance is £5,156,000,000, of which it is proposed to provide £2,900,000,000 from revenue, leaving about £2,250,000,000 to be raised by domestic borrowing (some £60,000,000 more than in 1942-43).

The yield from income tax is computed at £1,175,000,000, an increase of £168,000,000 over the return in 1942-43, due to the effect on various classes of incomes of the high level that has been reached in war production. Purchase tax is estimated to produce £90,000,000, and customs and excise £873,000,000 (£12,000,000 less than last year).

Total revenue on the existing basis of taxation was estimated to amount to £2,805,000,000, or about £100,000,000 below the objective of £2,900,000,000.

Additional taxation, which should preferably be of a type that would further reduce purchasing power, is therefore necessary, and, in view of the already high rate of direct taxation, the Treasury has decided to increase indirect taxation.

INCREASES IN TAXATION

It is proposed to raise the duty on beer by an amount which will represent 1d. a pint on the retail price of draft beer of the present gravity. The total yield from the increase is estimated at £33,000,000 for a full year and £28,500,000 this year.

On spirits, which have continued to be in short supply, an addition of £1 per proof gallon (equivalent to 2s. 4d. on an ordinary bottle of whisky), is proposed. This increase is expected to yield £9,000,000 in a full year and over £8,000,000 this year.

Other increases on wines are expected to produce less than £1,000,000 for a full year and £800,000 this year.

DECREASE IN PREFERENTIAL MARGIN ON EMPIRE TOBACCO

As regards tobacco, the duties are to be raised by a further 6s. per pound on unmanufactured leaf of non-Empire origin, with a corresponding increase in the duties on imported cigars, cigarettes, etc.

It is proposed to reduce the present preference margin of 2s. $\frac{1}{2}$ d. per pound on Empire tobacco by 6d. and that on other tobaccos proportionately, the reduction to be effected by an increase in Empire rates of duty. The new basic full rate on unstripped leaf tobacco as from April 13 is £1 15s. 6d. per pound, and the corresponding preferential rate is £1 13s. 11 $\frac{1}{2}$ d. The changes amount to an extra 4 $\frac{1}{2}$ d. or 5d. an ounce on pipe tobacco, according to quality, an extra 1 $\frac{1}{2}$ d. on a packet of 10 cigarettes, now sold retail at 9d., and an extra 2d. on those now sold for 1s.

The gross revenue from these increases in tobacco duties are estimated at £58,000,000 in a full year and £57,000,000 this year.

REVENUE PROSPECTS

The total revenue which the Treasury anticipates receiving from the additional taxation amounts to £102,000,000 in the current year and £110,000,000 in the full year. The total receipts for the present year will probably be £2,907,000,000. Of the £5,156,000,000 for which domestic funds are to be found during the year, 56 per cent will be derived from current revenue. This

percentage compares with 48 during the calendar year 1941 and 52 during 1942. In the view of the Government, such a result will continue to represent a high degree of sacrifice by all members of the community, but it is considered worth while because it enables the country to maintain its financial and economic life in a sound condition.

CEREAL PRICES IN SOUTH AFRICA

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes under date April 6, 1943, that the Union Minister of Agriculture has announced that for the forthcoming season the South African Government has decided to fix the price of South African-grown wheat at 36s. per bag for B.I. grade; this is roughly the equivalent of \$2.37 per bushel. Concurrently the Wheat Industries Control Board has announced that it estimates the cost of producing wheat in South Africa as the equivalent of \$2.20 per bushel on the basis of a yield of 9.5 bushels per acre. During the past season the fixed price for South African wheat was 30s. per bag of 200 pounds (\$1.98 per bushel), and for the year before it was 26s. 3d. per bag (\$1.73 per bushel). As regards the current period, the Wheat Industries Control Board had recommended to the Government that the price be fixed at 40s. per bag (\$2.64 per bushel).

SOUTH AFRICAN NATIONAL COUNCIL OF SUPPLIES

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 12, 1943.—Reference was made in *Commercial Intelligence Journal* No. 2031 (January 2, 1943), page 9, to the proposed formation of a National Council of Supplies in South Africa, a new organization to supersede and embody most of the existing economic controls and to unify the problem of obtaining and distributing both war and civilian supplies.

The Council began to function on February 1, after being formally established by virtue of Proclamation No. 319 of 1942. In the interval organization has been proceeding, and its machinery is now beginning to take form. Formerly the control of imports and exports was under the Department of Commerce and Industries, commodity controllers (see *Commercial Intelligence Journal* No. 2003: June 20, 1942), page 666, receiving their appointments from and having their functions defined by that Department. All of this now comes within the purview of the National Council of Supplies, which in turn is placed under the Prime Minister's department. It is in effect a shadow ministry of supply with a Director-General as its executive head who has been delegated with authority and occupies the position of a shadow minister, although he is not directly responsible to Parliament.

COMPOSITION OF THE COUNCIL

The Council itself consists of a chairman, who is the Prime Minister, and a deputy-chairman, in the person of the Minister of Commerce and Industries, and such other ministers as the Governor General may from time to time appoint. The Prime Minister may also invite any other person to attend any meeting of the Council. The functions of this body are to advise the Government on matters pertaining to the production, supply, import or export of goods, and in particular to the order of priority in which goods or classes of goods may be imported into the Union. The Council will also perform such additional duties as the Prime Minister may from time to time assign to it. All information necessary to enable the Council to consider and make recommendations to the Government will be supplied by the Director-General.

The Director-General will exercise on behalf of the Government the powers set out in the regulations, and in particular he will be authorized to control and regulate the acquisition, production and disposal of control materials, to control the acquisition and production of all war supplies, to demand in certain circumstances goods or services from any person in a position to supply them, to manufacture or produce any controlled material or war supplies in the Union or elsewhere without submitting the matter to or obtaining the approval of the Union Tender and Supplies Board. In addition he is authorized to purchase, hire, or otherwise acquire immovable property required for the effective discharge of his duties and powers, and for these purposes to exercise the power of requisitioning land granted to a Minister under the emergency regulations. He is also empowered to erect factories, works and buildings that he considers necessary to give effect to the purposes of these regulations; to agree to the variation or termination of any contract into which he has entered; to let, sell or otherwise dispose of, on such terms as he thinks fit, property acquired by him under the emergency regulations; to prohibit, restrict or regulate imports into the Union and exports from the Union. He may also constitute such bodies and appoint such officers as he considers necessary to assist him in the exercise of the powers and functions that have been assigned to him, at his discretion and on such conditions as he may prescribe. In addition he may acquire in the Union or outside the Union, through such channels as are provided by the Government for the purchase of such extra Union procurement, any goods on behalf of any person or organization.

FUNCTIONS OF THE COUNCIL

An elaborate and somewhat complicated structure has been projected for the carrying out of the duties assigned to the National Council of Supplies. The need and usefulness of all its component parts have yet to be proved, and in some quarters the organization is regarded as being too cumbersome and duplicative.

The great bottleneck in the South African supply position is shipping, which is the principal factor controlling the volume of goods available. It is unlikely that the new supply organization can do anything that has not already been done to secure additional tonnage. Its principal activities must, therefore, be: (1) The equitable distribution of available commodities; (2) the sifting of all applications for import permits on the basis of degree of essentiality; (3) provision for local manufacture, where possible, in order to conserve shipping space.

To do this the co-operation of trade and industry has been secured, and so-called national panels have been formulated for each main group of commodities and for each main industry. The functions of these panels will ultimately be co-ordinated with those of the existing commodity controllers. In addition the Union has been divided into nine geographical areas, in each of which there is a representative of the Director-General of Supplies as well as whatever local panels or zone committees may be regarded as necessary. In the original discussions approximately 1,000 such panels and committees were suggested as being essential. In some of the nine areas more progress has been made than in others, while there is also a lack of uniformity in deciding to what extent commodities should be separated or grouped, which is causing some confusion.

At the head of the organization it is planned to have an Executive Committee of the National Council of Supplies, to be known as the Supplies Control Board. On this are representatives of the Department of Commerce and Industry, the Department of Agriculture and Forestry, the war supplies organization, the railways, industry, commerce, engineering, and the mines.

Assisting the Director-General are executive officers, designated Directors of War Supplies and Directors of Civilian Supplies, who are also members of the Supplies Control Board.

Prior to the establishment of the National Council of Supplies, importers made application for import permits direct to the Controller of Imports or to the appropriate Commodity Controller. These were large in number and uncorrelated, and it was found difficult, with the existing machinery, to deal adequately with the question of essentiality.

Under the new set up, the application goes in the first instance to the local zone committee representing the branch of business that is involved and, if its consideration is favourable, the matter is passed on to the National Panel for approval and the ultimate issuance of a permit by a designated authority.

The task of handling the permit system and distributing the available supplies is, therefore, largely in the hands of representatives of commerce and industry, who have been granted a high degree of autonomy. Apart from the lack of supplies as a result of causes beyond the reach of the new organization, possible weaknesses in the organization are the multiplicity of committees and officials and the probability of delay in determining marginal cases.

Formation of the National Council can be regarded, however, as a sincere attempt to separate the wheat from the chaff and to correlate South Africa's supply requirements with the position existing in overseas countries whence these supplies are received.

FOOD RATIONING IN NEWFOUNDLAND

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, April 30, 1943.—In a notice published on April 26, 1943, the Deputy Food Controller for Newfoundland announced regulations intended to conserve existing stocks and future supplies of barrelled and canned meats, so as to make them available for consumption in areas in which fresh meats are difficult to obtain. These regulations provide that there shall be no restriction on the quantity of such meat that may be taken on board vessels proceeding to the fisheries or sold to families proceeding to Labrador. For others, however, the rationing of barrelled or canned meat has been fixed at not more than one and a half pounds per person per week.

COMMERCIAL NOTES FROM INDIA

PAUL SYKES, CANADIAN TRADE COMMISSIONER

(One rupee is approximately equal to \$0.335 Canadian)

Bombay, April 8, 1943.—Following are brief notes on several aspects of the current economic situation in India:

Imports from Canada

Despite a recent tendency towards a decline from the very high values of imports from Canada during 1942, Canadian trade to the Indian market remains at unusually high levels. Exports of Indian goods to Canada, on the other hand, have recently shown an unusually marked decrease from the figures recorded a year ago.

Import control regulations in force in India, export restrictions in Canada, and the great increase in local demand for industrial materials have effected a marked change in the composition of Canadian shipments to this market. Whereas, a few years ago, excepting motor vehicles, this trade comprised to a considerable extent foodstuffs, zinc and spelter, calcium carbide, aluminium, and miscellaneous industrial equipment, these items have now largely disappeared

from returns of Canadian-Indian trade and have been replaced by such goods as tea-chest materials, copper rods, various acids and other chemicals, special papers, and electric equipment.

Business Activity

There was a considerable decline in the index of business activity in India, maintained by a local financial paper, as between December, 1942, and January of this year; the respective figures were 112·7 and 105·7. This trend is ascribed to a large extent to the course of military operations in Burma and Eastern Bengal at that time and in particular to enemy air operations, which caused some general apprehension and led to temporary labour shortages in a number of essential industries.

The various components of the general index show a decline in cotton consumption as between December and January, although both figures are far above recent averages, also in the output of jute manufactures, in coal raisings, the volume of inland transport, bank clearings, and the volume of foreign and coastal trade. Counteracting factors have been a substantial improvement in the output of steel ingots and pig iron, as well as in paper production.

Aluminium Production

The Aluminium Production Co. of India Ltd., an associate of the Aluminum Co. of Canada Ltd., has recently announced that its plant at Alupuram, in Travancore State, is producing virgin aluminium for the first time in Indian history. The growth of this industry is typical of various current trends in India's economic development. It involves the exploitation of extensive resources of raw material and the production of goods that are in wide demand in one of the world's largest markets.

This new industry will henceforth supplant those of Canada and other countries as sources of supply of many of the raw-material requirements of local aluminium rolling mills. Direct shipments from Canada to India in aluminium in various forms can accordingly be expected to show a progressive decline but, as the bulk of India's imports of this metal have been purchased from the United Kingdom, Germany, France, Switzerland, and Japan, the effect of local production on total Canadian export trade to the Indian market will be of comparatively small importance.

Aircraft Production

Despite the many obstacles resulting from wartime conditions, aircraft construction in India is making appreciable progress. The assembly of imported parts has, of course, been carried on in various local plants for a considerable time past. A plant in Southern India is now, however, engaged in building air frames and in turning out finished machines in which the only imported materials are the engines and a few of the instruments. This factory has been obliged to make numerous alterations in its production plans in accordance with rapidly changing conditions and, instead of carrying on straightforward production, has had to devote a large part of its capacity to repair work and the manufacture of parts required elsewhere in the country. It is at the same time building up an experienced staff, and current reports of the position indicate the likelihood that a fair volume of efficient modern aircraft will be produced within the next few months.

Increased Rubber Production

The Indian Government has recently taken further steps to encourage a substantial increase in rubber production from South Indian estates. The

Rubber Production Commissioner has been instructed to arrange for tapping at 133 per cent of normal intensity on 80 per cent of all rubber acreage and at 200 per cent intensity on the remaining 20 per cent. Compensation will be paid to rubber estates for the loss involved by such destructive production methods.

Production of Composition Tea Chests

The jute industry in Bengal, in co-operation with Calcutta University, has been studying the question of utilizing jute waste. One of the more interesting developments from these investigations to date is that this waste, combined with various chemicals and with Indian shellac, can be made into sheets suitable for making up into tea chests. A local trade journal reports that the tea trade is satisfied with the quality of experimental chests made with "jutlac" and that these have been officially approved by the Ministry of Food for use in the packing of tea exports. If this process proves capable of extensive and permanent development, it will be of the greatest value to the tea trade and of considerable incidental benefit to the jute industry as well. Its adoption may conceivably lead to a substantial reduction in India's large imports of tea-chest materials from abroad.

Eastern Group Supply Council

According to reliable reports, the Eastern Group Supply Council, established some two years ago to co-ordinate the distribution of raw and manufactured goods among British countries in the Southern Hemisphere, Africa, Asia, and Australasia, is now in process of being disbanded. The Council's encouragement and direction of inter-Dominion and -colonial trade has been of the greatest value in eliminating shortages of essential materials and food-stuffs and in encouraging increased production of many types of service equipment and supplies. It has now developed, however, that a large organization of this type is no longer required and, with the dissolution of the Council, the co-ordination of trade between the countries which it has represented will be left to the immediate attention of the governments concerned.

UNITED STATES FOREIGN TRADE IN 1942

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

New York, May 4, 1943.—The effect of this country's entry into the war is clearly reflected in the figures of United States foreign trade for 1942, issued by the Bureau of Census of the Department of Commerce. Although export trade was maintained at a surprisingly high level despite mounting obstacles to international commerce, its composition and direction were changed materially during 1942. The usual heavy shipments of consumer goods declined sharply as production was curtailed or stopped altogether and were replaced by large shipments of military supplies. Of the total exports, exclusive of lend-lease shipments, from the United States in 1942, strictly military equipment and war-related products, such as metals, industrial machinery, petroleum products and chemicals, made up about 50 per cent. Agricultural products accounted for approximately 10 per cent of the total exports, while other commodities, such as coal, paper-base stock, paper, textiles, and other manufactured products, made up almost 40 per cent of the trade. At the same time imports from the Far East ceased and were only partly compensated for by those from British Empire countries and Latin America.

Total United States exports and re-exports in 1942, including lend-lease shipments, were valued at \$7,823,000,000 as compared with \$5,147,000,000 in 1941, a gain of 51.9 per cent. Excluding lend-lease shipments and shipments to the United States armed forces abroad, exports of merchandise accounted for 40.3 per cent of the value of all exports and amounted to \$3,151,000,000 as compared with \$4,414,000,000 in 1941, a decrease of 28.7 per cent. However,

this 1942 value was slightly larger than the average for the pre-war years 1936 to 1938.

On the other hand, imports were valued at \$2,742,000,000 or 18 per cent below the 1941 value of \$3,345,000,000. The excess of total exports over imports for the past year was \$5,081,000,000 as against \$1,802,000,000 in the previous year.

DISTRIBUTION OF TRADE

The following table shows the value of United States foreign trade with selected areas for 1942 as compared with 1941:—

United States Trade by Areas

	Total Exports and Re-exports, including Lend- Lease Shipments		Exports, not including Lend- Lease Shipments		General Imports	
	1941	1942	1941	1942	1941	1942
	Values in Millions of Dollars					
United Kingdom*	1,642	2,362	1,075	495	139	135
Canada†	1,019	1,367	1,007	1,257	575	735
Russia	108	1,379	107	62	30	25
Near East and Africa‡.	535	963	439	275	210	250
Western Asia	30	159	28	38	47	45
Egypt (including Egyptian Sudan)	250	583	161	137	12	22
Union of South Africa	187	100	187	48	66	96
Far East (excluding Japan)	659	880	606	228	1,121	520
China	95	75	73	12	87	15
India	98	378	90	91	132	105
Australia	91	286	78	75	139	196
New Zealand	31	76	29	13	15	23
Japan	60	....	60	....	78	....
Continental Europe (excluding Russia)	90	35	85	35	106	55
Latin America	1,035	836	1,034	799	1,086	1,022
(20 republics)	902	708	902	683	1,008	979
British Empire and Egypt	3,479	5,288	2,778	2,176	1,512	1,432
Total	5,147	7,823	4,414	3,151	3,345	2,742

* Includes Eire.

† Includes Newfoundland, Labrador, St. Pierre and Miquelon, Greenland and Iceland.

‡ Includes islands in the Mediterranean.

TRADE WITH CANADA

The figures released by the Bureau of Census for trade with Canada include exports to and imports from Newfoundland, Labrador, St. Pierre and Miquelon, Greenland and Iceland, and it is, therefore, impracticable to show separately those for trade with Canada. However, it is noted that the value of exports, other than lend-lease shipments, to this area in 1942 amounted to \$1,257,000,000, or \$250,000,000 over the 1941 total. It is estimated that 92 per cent of the United States exports to Canada were other than lend-lease, while, in contrast, other than lend-lease shipments to the British Empire totalled approximately 23 per cent. About 20 per cent of the exports to Canada were military items purchased outright. Steel manufactures, industrial machinery, chemicals, and petroleum products made up 40 per cent of all shipments to Canada. Raw cotton, cotton fabrics, and coal accounted for a substantial part of the increase in exports to the Dominion. United States imports from Canada in 1942 were valued at \$735,000,000, or \$160,000,000 over the 1941 value.

TRADE WITH THE BRITISH EMPIRE

The concentration of export trade to British Empire countries and the American republics, which began with the outbreak of war in 1939, was accentuated during 1942. British Empire countries and Egypt were the destina-

tions of 69 per cent of United States exports, other than lend-lease, as compared with 42 per cent prior to the war and 63 per cent in 1941.

The value of shipments, other than lend-lease, to the United Kingdom in 1942 declined by \$580,000,000 to a total of \$495,000,000. Imports from the United Kingdom during the same period were valued at \$135,000,000, a decline of \$4,000,000.

Exports, exclusive of lend-lease, to Australia and India were about the same in 1942 as in the previous year, while shipments to South Africa, Egypt and New Zealand showed declines. Imports from Egypt, Australia and New Zealand increased over those in 1941, but purchases from India recorded a substantial decline.

TRADE WITH LATIN AMERICA

The Latin American republics and European colonies located in this area received about 25 per cent of the United States exports, exclusive of lend-lease shipments, in 1942 as compared with 18 per cent in the three years 1936 to 1938 and about 20 per cent in the first three years of the war. The value of United States exports, other than lend-lease, which accounted for 96 per cent of all goods shipped to this area, totalled \$799,000,000, or \$235,000,000 below the unusually high value of \$1,034,000,000 in 1941. The leading exports included machinery and vehicles and iron and steel products. However, many items formerly obtained by these countries in Europe were supplied by the United States. On the other hand, the United States bought large supplies of essential materials from the South American countries and established import balances with Argentina, Brazil, Chile, Guatemala, El Salvador, and Mexico.

TRADING WITH THE ENEMY

CANADIAN LIST OF SPECIFIED PERSONS

Inquiries received from time to time by the Department of Trade and Commerce indicate that Canadian exporters still do not understand clearly the composition and object of the Canadian List of Specified Persons established under the authority of the Consolidated Regulations Respecting Trading with the Enemy (1939).

The List of Specified Persons is a published list of firms and persons in neutral countries with whom intercourse or transactions of a commercial, financial, or any other nature without official permission constitutes the offence of trading with the enemy.

The List forms an integral part of the machinery designed to prevent enemy countries from obtaining any economic or financial assistance from British Empire or neutral countries. It consists principally of concerns controlled directly or indirectly from enemy territory (including enemy-occupied territory and certain other territories proscribed under the Trading with the Enemy Regulations), and of firms or individuals who have persistently evaded, or tried to evade, the contraband or enemy export controls. Persons controlled from enemy territory are enemies within the meaning of the Trading with the Enemy Regulations, whether or not they are included in the List of Specified Persons.

Additions to the List are made only after careful investigation in order that unnecessary damage to neutral or British Empire interests may be prevented. The Custodian of Enemy Property, Department of the Secretary of State, Ottawa, is always willing to consider representations from importers and exporters and other interested parties and to reply to inquiries on questions, such as the completion of unfinished transactions with persons placed on the List of Specified

Persons. The Office of the Custodian is also prepared to advise, in cases where doubt is felt as to the legality or desirability, from the point of view of trading with the enemy, of dealings with persons not on the List of Specified Persons.

Enemy subjects who are not in enemy territory are not necessarily enemies within the meaning of the Trading with the Enemy Regulations, and it is not intended to specify persons in neutral countries as enemies merely because they are enemy subjects. Many subjects of enemy countries carry on business in neutral countries without assisting these countries, and in some cases are of assistance in the promotion of Canadian trade.

Nevertheless, enemy subjects, wherever they may be carrying on business, should be regarded with suspicion, and Canadian traders who employ enemy subjects as agents in neutral countries would be well advised to consider displacing them either by British agents or by nationals of the country concerned. Firms who experience difficulty in obtaining suitable alternative agents should consult the Department of Trade and Commerce, Ottawa, or the appropriate Canadian Government Trade Commissioners.

Copies of the Consolidated List of Specified Persons are obtainable from the Distribution Branch, Government Printing Bureau, Ottawa. The price is 25 cents each for single copies, with a reduction for purchases of 100 copies or more. The list contains the names of more than 9,000 persons, principally in Europe, Latin America, Japan and China. It is subject to revision from time to time, and additions, amendments and deletions which are found necessary are published in the *Canada Gazette*. Canadian firms that have extensive dealings with persons in neutral countries are strongly advised to obtain copies of the consolidated list and at the same time to arrange to receive revisions as published.

CONTROL OF EXPORTS FROM CANADA

ADDITION TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 3668, effective May 10, 1943, wood charcoal, included in Group 4 (Wood, Wood Products and Paper), is added to the list of products the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

TARIFF CHANGES AND TRADE REGULATIONS

Argentina

EXCHANGE RATE FOR CONSULAR FEES

Mr. Saúl Aguilar, Consul General of Argentina in Montreal, writes that the current rate of exchange for purpose of the collection of consular fees is 26.68 Canadian dollars per 100 Argentine pesos.

Fiji

IMPORTS OF WHISKY FROM CANADA AUTHORIZED

A notice to importers, issued on March 9, 1943, by the Fiji Economic Warfare Office, states that, if importers to whom quotas have been allocated in respect of imports of whisky into Fiji from the United Kingdom are unable to obtain the full quota quantity, the Control will consider applications for licences to import from Canada such quantities as are required to make up the individual quota allotments. The notice adds that each application for a licence to import from Canada should be accompanied by some evidence of inability to obtain the whisky from the United Kingdom.

EXCHANGE CONDITIONS IN PERU

W. G. STARK, ACTING TRADE COMMISSIONER

Lima, April 27, 1943.—Dollar exchange in Peru is plentiful and quite sufficient to meet commercial payments regularly. The bank rate of exchange for the Peruvian sol remains steady at 6.485 soles to the United States dollar buying and 6.50 soles selling. Taking into consideration the official rates as between American and Canadian dollars, approximately 5.85 soles equal one Canadian dollar, or one Peruvian sol is roughly equivalent to 17.1 Canadian cents. Although the exchange position is easy and some appreciation in the value of the sol could be achieved, there does not appear to be any intention at present to modify current exchange rates.

There is no official import or exchange control in operation in Peru but, through a semi-voluntary system, Peruvian exporters, or banks acting on their behalf, hand over their foreign exchange to the Central Reserve Bank. The latter in turn allocates its exchange to the various commercial banks in a rough proportion between their normal dealings and present requirements. The Central Reserve Bank has accumulated surpluses of dollars and, although granted a \$10,000,000 credit in December, 1940, by the United States Export-Import Bank for currency stabilization purposes, it has not found it necessary to draw on this fund.

DOLLAR NOTES

According to a Supreme Decree of June 8, 1942, the importation and exportation of United States dollar banknotes is henceforth to be made exclusively by the Central Reserve Bank. All current holders of these were to deliver them to the Central Bank prior to June 30, 1942, with a statement as to their origin. The only exception is in favour of passengers entering or leaving the country, who may bring in or take out up to \$100 in notes. No restrictions are placed on travellers' cheques or letters of credit, the decree being designed only to obviate the results of clandestine operations in dollar bills.

NEW BANK ESTABLISHED

By a resolution of February 18, 1943, the Peruvian Superintendent of Banks has authorized the opening of a new bank in Lima, called Banco Wiese Ltda. The founders are Augusto and Fernando Wiese of the well-known local importing firm of A. y F. Wiese S.A. The paid up capital is 4,000,000 soles, approximately Canadian \$683,761. The bank was opened on March 1, 1943, and is in regular operation.

CENTRAL REGISTRY FOR PROTESTED DRAFTS

For some time the Camara de Comercio de Lima (Lima Chamber of Commerce) has maintained a registry of protested drafts which were reported to that body, covering principally protests in the Lima district. According to a Supreme Resolution of March 17, 1943, it is now obligatory to report all drafts protested, either in Lima or in the provinces, to the Camara de Comercio at Lima. The purpose of this resolution is to consolidate the statistics and to carry an accurate account of all drafts outstanding in the Republic.

TERMS OF PAYMENT

Regarding terms, it is recommended that Canadian exporters require cash against documents for their shipments, and a letter of credit if the firm is not known to them. Ordinarily the latter arrangement is only accepted by importers under special circumstances but, due to the difficulty of obtaining goods from

any source, traders are now more willing to comply. A considerable volume of business is still done on short-credit terms of 30 to 90 days, but acceptance of these conditions is only advisable when the exporter has full confidence in the consignee's ability to pay.

It is recommended that, when making quotations to Peruvian concerns, shippers in Canada quote in terms of United States dollars, since, according to the regulations of the Canadian Foreign Exchange Control Board, final payment must be effected in that currency. This prevents confusion between the official and unofficial rates for Canadian dollars in terms of American funds as well as ensuring that prices are quoted in the medium of exchange that is most commonly used in this market. If quotations are made in Canadian dollars, a clear indication should be given of the exchange allowances granted to convert these offers into American funds.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 10, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 10, 1943, and for the week ending Monday, May 3, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 3	Nominal Quotations in Montreal Week ending May 10	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2786	.2781	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5877	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: **K. F. NOBLE**, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrópole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: **J. C. MACGILLIVRAY**. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: **H. L. BROWN**. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: **FREDERIC HUDD**, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: **J. A. LANGLEY**, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: **W. B. GORNALL**, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: **G. R. PATERSON**, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: **A. E. BRYAN**, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: **JAMES CORMACK**, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: **G. B. JOHNSON**, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: **H. A. SCOTT**, Commercial Attaché, Canadian Legation.

New York City: **D. S. COLE**, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: **M. B. PALMER**, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: **T. J. MONTY**, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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Acting Deputy Minister:

Oliver Master

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NEW DECENTRALIZED CONTROL OF EXPORTS TO CERTAIN LATIN AMERICAN REPUBLICS

Effective June 1, 1943, Canada will participate with the United States in a plan which is designed to transfer to the Latin American countries concerned the responsibility for selecting and recommending the priority of shipment of those imports from the United States and Canada that are essential to their own economy. Agreement was reached as to the details of this plan in discussions that took place in Ottawa recently between officials of the United States Department of State and Board of Economic Warfare and the Canadian Departments of External Affairs and Trade and Commerce.

Limitations of shipping tonnage and shortages of many commodities essential to the war effort have made it necessary for some time past to regulate exports from both the United States and Canada. In the case of exports to Latin American countries, the export controls imposed by government agencies in Ottawa and Washington have been operated in close collaboration. The present plan is to carry this a stage further, largely in the interests of the importing countries. While it is essential that final decisions as to what commodities may be exported must rest with the exporting countries, it is recognized that importing countries should designate the commodities and the quantities of each that they wish to receive.

The United States Board of Economic Warfare has made an exhaustive study of the needs of Latin American countries and has devised a decentralized control plan, the object of which is to regulate the issuance of export permits

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according to available shipping tonnage for forward periods and thus enable each country to obtain those imports to which it attaches most importance.

It has now been decided that Canada should actively participate in this plan through its control agencies in Ottawa and representatives in Latin American countries, who will co-operate closely with corresponding United States agencies as well as with the import control agencies established by Latin American Governments.

The details of the Decentralization Plan with reference to Canada are as follows:—

1. Each of the following countries has established an import control agency: Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela.

2. Anyone in these countries desiring to import from Canada will file applications for import recommendations with his respective Country Agency, supplying such information as is required.

3. The Agency will examine, select and issue import recommendations for those materials which it deems most essential to the war effort and the economy of the country, taking account of the estimates of available supply and shipping tonnage. The Canadian Government representatives in Latin American countries will closely co-operate with the Country Agencies in the issuance of import recommendations.

4. The Agencies have issued information describing in detail the method of applying for import recommendations, the places at which applications may be filed, and other pertinent regulations.

5. When the Agency issues an import recommendation, a copy will be sent to the applicant-importer with instructions to forward that copy to the exporter with the confirmation copy of his order.

6. The Canadian exporter will submit an export permit application to the Export Permit Branch, Department of Trade and Commerce, Ottawa, in the usual manner, attaching to it the copy of the import recommendation which he will receive from the importer.

7. Under this program each Agency will issue import recommendations for all shipments to its respective country, with the exception of supplies for certain mines and special projects contributing directly to the United Nations' war effort.

8. The Export Permit Branch will endeavour to issue export permits covering goods for which the Agency has issued import recommendations. This Branch reserves the right to reject an application for an export permit, even though accompanied by an import recommendation, and in special cases to issue an export permit without an import recommendation when it deems such action necessary in the best interests of the war effort.

9. This plan will come into effect for Canadian shipments on June 1, 1943. A transition period of sixty days is provided, however, between the effective date and the date on which all exports must be covered by import recommendations. During this interim period, export permits may be issued as before, and exporters will continue to file applications for freight space as usual. After August 1, 1943, export permit applications that are not accompanied by import recommendations will be refused. The validity of outstanding export permits and freight space applications is not affected by this procedure. Accordingly it will not be necessary to ask importers to obtain import recommendations covering materials for which exporters hold valid export permits. Exporters should continue to make application for freight space to the Shipping Priorities

Committee, Department of Trade and Commerce, Ottawa, quoting their export permit numbers and import recommendation numbers when the latter are received.

10. In Cuba and Mexico the above procedure will apply to a selected list of materials which will be announced by the authorities of the respective Governments.

In the case of Argentina, "certificates of necessity" will be issued as from June 1, 1943, by the Central Bank of Argentina for all imports from Canada with the exception of coal, newsprint and materials for the maintenance, repair and operation of meat-packing plants and of mines producing tungsten and beryllium to fulfil contracts for the war effort of the United Nations. Certificates of necessity will be required, however, whenever the materials are for meat-packing plants and mines that are not fulfilling contracts of this nature. With the foregoing exceptions, after August 1, 1943, export permit applications that are not accompanied by Argentine certificates of necessity will be refused.

Import recommendations and certificates of necessity will not be required for shipments valued at \$25 or less.

It is expected that import recommendations and certificates of necessity will be transferable between exporters in Canada and between exporters in Canada and the United States. The exact procedure for such transfers will be announced later.

United States export licences are not required for shipments of Canadian merchandise out of United States ports to the twenty Latin American Republics when these shipments are covered by Canadian export permits. A new General-in-Transit Licence, known as G.I.T.-C.V., has been developed to cover these shipments, and all shipping documents should be marked accordingly.

IRISH LINEN INDUSTRY

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Belfast, May 12, 1943.—Apart from agriculture, the most important industry in Northern Ireland is the manufacture of linen, normally employing directly, or indirectly through subsidiary trades, nearly one-fifth of the gainfully occupied population. The climate of the province is in the main peculiarly suitable, but the basis of the industry lies in the skill and traditions of workmanship. These have been handed down from generation to generation of the early Huguenot weavers who fled from the revocation of the Edict of Nantes at the end of the seventeenth century. Linen weaving is carried on in almost every district of Northern Ireland, the major portion of the total output being produced within a radius of thirty miles from Belfast. But whether it is made in the capital or in the distant village, a consistent level of excellence obtains. Its importance can be gauged from the fact that in 1939 there were in operation approximately 840,000 spindles and some 25,500 looms. When the latest census of production was taken in Northern Ireland, in 1935, the gross output of the linen and hemp trades was roughly estimated at £19,000,000. It is estimated that from 40 to 50 per cent of the total yield is absorbed by the United Kingdom, while the remainder, except for the small quantity used in the domestic market, is exported to other countries.

CHARACTERISTICS OF VARIOUS CLASSES OF LINEN

Woven fabrics are composed of longitudinal or warp threads, which are interlaced with one another according to the class of structure and form of design desired.

Strength combined with lightness is a cardinal feature of linen. Aeroplane fabrics, thread and fishing lines are examples. They possess great strength and solidity of fibre. Used for bedding, it possesses the qualities of heat-retentiveness, softness and smoothness of surface, lightness and durability. A noteworthy quality of linen towels is the absence of a tendency for fluff to rub off on the skin, the smooth, long, flax fibres resisting this sloughing so characteristic of many other fibres. Linen towels are also hardwearing and of high absorbent capacity. The popular appeal of table linen derives not so much from its durability as from its attractiveness; the high lustre of the smooth surface contributes greatly to the light-reflecting power of the fabric, and the stiffness, or draping quality, can be adjusted without resorting to undue starching.

In plain weave the threads interlace in alternate order, each warp end passing over and under the weft end alternately. Variations may be introduced by using warp and weft yarns of different sizes, by varying the closeness of the warp and weft threads, or by using yarns of different colours, either all over, in stripes, or in checks.

In damask a sateen weave is employed: this is done on a Jacquard loom, by means of which the arrangement of the warp and weft threads forming the face of the cloth can be raised at will. The reflection of light from the cloth depends on the direction of the individual threads forming the cloth surface, and so a light pattern, standing out because of its greater light reflection, can be built up on a shaded or less reflecting background.

In huck weaves the basis is a plain weave, but some threads are made to form long floats.

Lawns and cambrics are open plain weaves, mostly used for handkerchiefs. Lawn is lighter in weight than cambric.

USES OF LINEN

Considerable importance attaches to linen for apparel in the tropics. It has long been known as a good material for hot, humid climates. It is more impervious to the sun's rays than other textiles because of the high natural lustre of the fibre surfaces; thus radiations are reflected from a linen garment rather than absorbed, and the skin is protected from their action. Its cool feel, smooth surface, high retentiveness of moisture, and ease of laundering make it an ideal fabric for both underwear and sportswear.

During the past few years appreciable progress has been made in the production of coloured and printed dress linens. Coloured materials are available of a quality as high as that of white linen, and it can no longer be said that its value and quality are impaired by dyeing. The use of linen in the manufacture of shoe uppers has resulted in the production of comfortable and attractive white and coloured footwear for women, and well-directed research effort has been extended towards the development of linen uppers that will outlast the soles.

Among materials for domestic use, linen holds an important place. Apart from damask cloths and napkins, both white and coloured, a popular fabric in recent years has been brightly coloured or bordered breakfast or supper cloths and napkins of crash or huck, also coloured or embroidered luncheon sets. Sheets, bolsters, and pillow-cases, plain, hemstitched or embroidered, in white and pastel shades are also in constant demand, as are bedroom, bath, face and guest towels with woven type names and in new colour styles with checks or coloured borders. Linen is also used for window hangings and chair covers, and an important trade is done in embroidery linens, cream, white and coloured; hand- and machine-embroidered tea cloths; tea and bridge sets; breakfast sets; and tray cloths. It also has many industrial uses, e.g.: for filter cloths, tarpaulins, tailoring linens (canvas, padding, crashes, etc.), and for wing padding in aero-

planes. It is excellent for this latter purpose, as it combines high wet and dry strength with lightness and durability under different atmospheric conditions and retains its shape under severe stress. Linen thread is used extensively in the manufacture of shoes, carpets, upholstery, fishing-tackle twine, and fishing nets, also in book-binding. Its value for fishing nets lies in its great strength when wet and its resistance to attack by micro-organisms or mildew.

EFFECT OF WAR CONDITIONS ON THE IRISH LINEN INDUSTRY

DOMESTIC MARKET

Before the outbreak of war, the Irish linen industry concentrated chiefly on the production of the finer and more expensive types of goods. These were sold as quality articles, about 40 per cent at home and 60 per cent abroad, Canada being one of the most important overseas markets.

To supplement the small amount of flax grown in this country, purchases were made from Russia, Poland, Holland, Belgium, and France. On the outbreak of war, supplies from these sources gradually ceased, and the limited amount of fibre imported was required by the Government. This caused an acute shortage of raw material and necessitated an immediate reorganization of the linen industry. The manufacture of all goods not considered necessary or useful for the war effort was suspended. Production for the home market virtually came to an end and, in order to eke out the existing stocks, merchants were allowed to sell only a limited quota. Linen goods on the home market are now in very short supply.

OVERSEAS MARKETS

The wide demand for Irish linen in Canada includes such items as linen damask cloths and napkins, white or with coloured borders, of both hand-loom and power-loom manufacture; crash roller towelling; bordered tea-towelling; and glass cloths, typed, checked or bordered. There is also a substantial trade in damask-bordered face-towels or face-towels with cord borders, and a large business is done with Canada in plain and embroidered handkerchiefs and those with coloured borders, the initialled type being particularly popular. Considerable quantities of embroidery linens, both white and cream, for cutting up and making into tray cloths and kindred articles, and canvas for use as linings and stiffenings by clothing factories and makers-up are also exported to Canada.

Orders from Canada for white and coloured dress linens are only marginal in quantity, although there is a good sale for them in the United States. Nor are linen bedspreads popular in Canada. The following table indicates the values of various items exported to Canada during the years 1935, 1936, 1937:—

Exports of Irish Linens to Canada

	1935	1936	1937
Linen piece-goods..	£229,000	£236,000	£246,000
Damask table linen, not in the piece	136,000	149,000	231,000
Handkerchiefs, not in the piece..	84,000	87,000	84,000
Towels of all descriptions, not in the piece	32,000	30,000	40,000
Finished linen thread	58,000	57,000	73,000
Household goods, other than damask table linen and towels.. . . . .	.....	.....	56,000

Up to the end of 1941 the exports to American markets were considered indispensable to the war effort to balance imports of essential materials, and to this end the linen manufacturers were able to help immeasurably. Government officials, in their turn, addressed themselves unreservedly to the task of securing primary products. Consequently, linen for export, which was given a high priority rating in the allocation of materials, secured an appreciable tonnage of flax. This method placed the industry in a moderately good position during

that period, although it was already becoming increasingly difficult to bridge the gap between the rising cost of raw material and the economic price that the overseas importer could pay for the manufactured goods. At the end of 1941 there was a complete change in the Government's attitude towards the linen export trade, due in large measure to the diminishing supplies of raw materials. The names of all commodities that are difficult to obtain or are in short supply are examined by a Materials Committee attached to the Ministry of Production. It determines for what purpose these goods shall be distributed. The result is that since the beginning of 1942 no new primary products have been allocated for export. A limited quantity of yarn that was spun especially for overseas and had been held back by the trade was released, but this is now virtually exhausted. Compared with pre-war days, therefore, the linen export trade has almost ceased. The small trickle of supplies that is going through is from previously manufactured stocks.

As the supply of material for export dwindled, there developed a tendency to control the export of such goods as remained available. When raw material was still being released in 1941, it was reserved for such markets as were considered the most desirable. But in 1942, when there was still less material to allocate, it was decided to introduce export licensing as an additional limitation. However, special arrangements were made to exempt, in some degree, a few preferred markets, including Canada and the United States. Export licences are now required, even for these two countries, but the present intention is not to make any drastic change in policy that will obstruct the small quantity now going out to Canada. While these prohibitive obstacles to export were gradually being built up on this side, the policy of "ceiling prices" in Canada was developing, so that the channels of trade were narrowed at both ends. In the early stages of the war, exporters could average the value of their goods to all markets but, as pre-war stocks ran out, it was no longer possible to do this, and quotations had to go up. In addition to the difficulty of getting goods out of the country, the problem of entry into Canada had also to be overcome.

The linen industry has, of course, its Export Group, which was set up under the British Board of Trade policy to deal with all difficulties arising in overseas markets and to advise the Government on how best to solve them. The Chairman of the Linen Export Group was in the United States and Canada last autumn surveying the prospects for the Irish linen trade. He found a strong demand for these goods but great difficulty on account of the imposition of ceiling prices, particularly in Canada, as they were fixed as far back as 1941. A Canadian subsidy has been paid to the importer on the difference between landing costs in October, 1941, and those that now obtain and, while this has not always been claimed by the larger houses, who were not dependent on it, it was of considerable assistance to the small agent. Recent information indicates that this assistance has been withdrawn for any goods ordered since December, 1942. This will be a serious handicap to the importer who specialized in catering to the smaller retail linen trade. He will probably disappear as a distributor of the small quantity of Irish linens that is still available. The Linen Export Group has long been using its influence to secure raw material for the purpose of retaining the connections that have been built up in so many years of trade, and the cessation, in considerable measure, of that portion of the trade enjoyed by the purely linen importer is therefore doubly regretted.

ADAPTATIONS IN PRODUCTION

Due to various restrictions, many of them governmental, production of linen fabrics since the beginning of the war for the home and export trade has dwindled. A corresponding shutting-down of machinery and drifting away of skilled labour would have resulted had not adaptations kept pace with rapidly

altering requirements. The change-over from fine weaves to canvases, sail-cloths, heavy ducks and the countless articles of equipment made from these coarse piece-goods required by the services and the merchant navy called for resourcefulness, quick thinking, and inventive genius. Many items of soldiers' equipment will, of course, find peacetime use by campers and hikers.

Owing to the scarcity of flax, much of the government work undertaken by the weaving industry, which incidentally worked on the basis of bulk contracts placed with the Irish Power Loom Manufacturers' Association by the Ministry of Supply, consisted of cotton cloth production, for the processing of which linen looms were adapted. Unfortunately it so happened that when, at the end of 1941, exportation was drastically curtailed, government requirements were also slightly less than usual, and it seemed that the linen industry could hardly continue on an economic basis without some drastic concentration. A solution was, however, found in the production of utility cloths for the home market. The Board of Trade had become concerned both with the growing scarcity of essential clothing and the danger that such a scarcity might lead to serious increases in price. Accordingly they devised the utility scheme, by which a calculated quantity of clothing and the requisite amount of cloth are produced at controlled prices. The wearing apparel is made up according to laid-down specifications, with the result that standardization of production is followed. Although the Irish industry normally made cloth for household articles, it was, to meet the necessities of war, switched over to turning out piece-goods for wearing apparel, woven from cotton yarn supplied by Lancashire. Utility shirtings, utility cloth for factory overalls, and other service apparel are being woven to-day in all the towns, and arrangements are also being made to specify as utility goods cotton huck towels, cotton glass cloths and other products of the linen industry.

Spinning was less fortunately placed than weaving, since, although its capacity would have been useful in augmenting the country's cotton yarn supply, this was not practicable on flax machinery. Flax spindles can, however, deal with long-staple fibre in the production of yarns for spun rayons, and quantities of this material have therefore been allocated to the linen mills. The cloth manufactured from this material in Ireland has special characteristics of its own, and a number of standard varieties or qualities have already been specified in the utility range. It is indicative of the extent to which the linen industry has been switched into war production that several dress goods included in the utility range for the whole of the United Kingdom are the exclusive products of Northern Ireland.

Before the outbreak of war it would have been unusual to mix any other fibre with flax during spinning, with the exception perhaps of hemp, some of which might have been included in the making of heavy canvas yarns. A relatively small part of the fabrics turned out contained cotton, rayon, or hemp. To-day the use of flax only in a weave is restricted almost entirely to government supplies that require an all-flax fabric.

A considerable proportion of the textile labour in Northern Ireland could not be moved, even if it had been desirable, to munition work outside this area. On the other hand, there were districts in Great Britain where munitions and textiles were competing for the limited supply. By its initiative and enterprise, the Irish industry has made a great contribution to the cross-channel textile requirements and at the same time, by means of concentration, has set free a large number of workers for employment in war industries.

IRISH LINEN INDUSTRY AFTER THE WAR

The Northern Ireland linen trade has, from the beginning, put wartime requirements first. It is not getting material or producing goods other than

those needed for this major purpose. Its post-war position is therefore seriously prejudiced, like that of many other industries. Although it is not considered advisable to organize too extensively at present, a committee has been set up by the Northern Ireland Minister of Commerce and Production to investigate the problems to be faced after the war and to determine how they may be solved. Planning now is a provision against confusion in the future. Principals have been asked to consider the question of complementary rather than competitive lines. Strong individualism has hitherto been shown, but it is felt that the pressure under future conditions may reveal the desirability of some arrangement that will bring production processes into closer relation with distribution policies. The question of establishing joint selling control may have to be considered in order to avoid cut-throat competition and overlapping costs. Post-war industry will be confronted with many problems, and the plans being developed attest to the ambitious efforts being made to solve them now.

EXPORT LICENCES

Before goods may be sent abroad, the exporter must complete and forward an application form to the Controller, Export Licensing Department of the Board of Trade, London, and await the necessary authority. The importer or consignee has nothing to do with the obtaining of an export licence. If, however, an import licence, or recommendation for certificate of essentiality, or other similar document has been issued in respect of the importation of the goods in question into the country of destination, full details must be shown on the application form.

AGRICULTURAL CONDITIONS IN THE UNITED KINGDOM IN 1942

G. R. PATERSON, ANIMAL PRODUCTS TRADE COMMISSIONER

II. Food Position

The wartime food position in the United Kingdom was reviewed at some length in a report published in *Commercial Intelligence Journal* Nos. 2016 and 2017 (September 19 and 26, 1942) and, in general, the situation has not changed. Following is a brief review of the 1942 position:—

HOME-PRODUCED SUPPLIES

As has already been indicated, domestic production provided approximately 60 per cent of the total volume of food consumed in the United Kingdom in 1942; this compares with the pre-war home production of 30 per cent of the total food requirements.

In the home production campaign, encouragement continued to be given to increases in milk, cereals, potatoes, vegetables and sugar beets. Milk and vegetables are of primary importance to the maintenance of the nation's health, and the increased production of the bulky cereals releases ships for other vital purposes.

FOREIGN SOURCES OF SUPPLY

The sources of supply of imported foodstuffs in 1942 were the same as those reported for 1941. In some cases there was some change in the importance of the various countries as suppliers, but, generally speaking, the order remained the same. Arranging for the production of foodstuffs in overseas countries and planning for their movement continue to be the major problems confronting the Ministers of Food and War Transport.

The amount of storage available in supplying countries is one of the limiting factors, but it does not present less difficulty than the problem of maintaining

adequate reserve stocks of all types of food in the limited storages available in the United Kingdom. Planning for importation has become one of the main activities of the Ministry of Food.

CHANGES IN TYPES OF FOODSTUFFS

Production and transportation problems have necessitated some changes in the types of products being made available. A good example is the complete change-over during 1942 from the importation of shell eggs to dried eggs. The ration of shell eggs has become almost negligible for the ordinary consumer, but the equivalent has been provided in the dried form.

During the winter months there has been a normal seasonal shortage of fluid milk; this has been offset largely through the introduction of a supplementary ration of household milk, that is, skim-milk powder.

Meat was obtainable to the same extent as in the previous year, although there appeared to be considerably less variety. Fish was in very short supply, and citrus fruits were unobtainable except for a few oranges for children. There has been a heavy increase in the use of vegetables, particularly potatoes.

CONTROL AND DISTRIBUTION

The rationing of foodstuffs has developed gradually until there are now few commodities which are not included in the scheme, such as bread, fresh fruit and vegetables, and fish.

FOOD RATIONING

The rationing system adopted divides food supplies into three groups:—

Group I comprises those items that are obtainable in regular quantities each week. These are the basic commodities such as meat, bacon, butter, cheese, fats, sugar, tea, jam, dried eggs, and household milk, which can only be obtained from the shops where the consumer is registered.

Group II comprises a great variety of food supplies that are obtainable under the "points rationing" system. Each consumer is allowed a certain number of points, to be spent during each four-week period at any shop. The products included vary in points value according to supply and demand. This system enables the Ministry of Food to protect its reserves of supplies by increasing or reducing the number of points in value allowed for a product. It also affords the consumer an opportunity of providing some variety in the diet. The products in this group include breakfast cereals (except some oat meals), rice, tapioca, sago, dried fruits, dried pulses, canned fish, some canned vegetables, biscuits, canned meats, and canned milk.

Group III consists of all unrationed food products except sweets, which are controlled by a separate rationing scheme, such as bread, flour, potatoes, fresh fish and vegetables, canned soups, and offals (which are coupon free).

PRICE CONTROL

The prices of practically all foodstuffs are fixed by the Ministry of Food. There have been few changes in the prices of some commodities since 1941. The Government has continued the policy of making up the difference between the cost to the Ministry of Food of certain products and the returns on the basis of controlled prices. This has been done to prevent inflation.

DISTRIBUTION

The distribution of foodstuffs remains the responsibility of the Ministry of Food authorities, who continue to be the sole importers of most foodstuffs and regulate the distribution through importers' organizations, which consist of

those engaged in the business of importing the same commodities before the outbreak of war. Margins and other charges are set all along the line to the consumer.

Zoning is one of the problems that received considerable attention during the year. The purpose is primarily to conserve transport, and this method covers particularly those goods that are home produced. Imports from overseas are not so readily affected, since the ports of arrival are limited in number and are not always adjacent to areas of large population.

CANADIAN SUPPLIES OF ANIMAL PRODUCTS

BACON

The 1942 contract for Canadian bacon called for the delivery of 600,000,000 pounds during the twelve-month period ending October 31, 1942. This was a considerable increase over the previous year's commitments and about three and three-quarter times the volume of shipments during the immediate pre-war years. Canada was thus called upon to provide approximately 75 per cent of the total bacon imported during the year, the remainder coming from the United States. No supplies were available from Eire, but home-produced marketings, although somewhat less in respect of the number of pigs, became more or less stabilized as regards the volume of bacon, due to the increased weights permitted. Canadian shipments provided on the average about 75 per cent of the bacon distributed on the ration; the remainder was home produced, supplemented when necessary by varying amounts of American. It is understood that the armed services were supplied with Canadian bacon almost exclusively.

The prices paid for the Canadian product for export to the United Kingdom are already well known in the Dominion and are therefore not quoted.

There was no criticism of the quality of the Canadian bacon received during 1942; it is universally agreed that the producers and packers continued to do their part, and, notwithstanding the great increase in volume, the high standards of the product supplied was well maintained. This is perhaps all the more noteworthy when it is realized that the elapsed time between the killing of a hog in Canada and the purchase of the bacon by the consumer in the United Kingdom is many times greater than under peacetime marketing conditions. The present contract calls for a still greater quantity of bacon to be shipped to the United Kingdom in 1943, and Canadian packers are afforded an opportunity to establish a reputation for the quality of their products and for their capability of maintaining continuity of supply.

HOG BY-PRODUCTS

The Ministry of Food continued to press for all the pork offals and hog casings that could be shipped from Canada. A certain amount of interest was shown in the small quantities of spiced ham and pork loaf that were supplied during the year, but it was realized by the Ministry that, in view of the general meat position in Canada, they could not reasonably expect quantities of these products to be increased or even maintained.

Pork offals were received for the most part in good condition, although there were some minor complaints that were duly investigated and reported upon. Casings also have been in increasing demand, and the Canadian supplies were received in good condition and were satisfactory in almost every respect. The only exception was in the small number of "extra shorts" consigned; these have now been discontinued under the contract.

The new standards of packing and marking pork offals and casings have proved most helpful to those handling them on arrival.

CHEESE

Total imports of cheese during 1942 were higher than they have ever been. This was due to increased production in New Zealand, the United States and Canada. The position was so good that for the last six months of the year the ordinary ration was fixed at eight ounces per person per week; heavy workers and special classes received one pound per person per week. However, toward the end of the year it became evident that supplies from America were not likely to be maintained in as high volume, and New Zealand had already been asked to swing back to butter. The present ration is four ounces per week for the ordinary civilian and twelve ounces for the priority classes. (Since the receipt of this report, the ordinary ration has been reduced from four to three ounces.)

Canada agreed to provide 125,000,000 pounds of cheese during the period ending March 31, 1943. In recent weeks she has agreed to ship additional amounts, and by the end of the contract period will have provided in the neighbourhood of 143,000,000 pounds. It has already been announced that the Canadian contribution for the 1943 season will be 150,000,000 pounds. Here again is a product that is first in its class, and, because of its storage qualities, provides the basis for the emergency reserve stocks that must be carried at all times.

MILK

The milk supply position in the United Kingdom during the year was reasonably satisfactory. The fluid-milk supplies were supplemented in seasons of shortage with issues of household milk (skim-milk powder), and evaporated milk was available under the points rationing scheme. As in the past, considerable quantities of free milk were distributed to certain classes of the population.

Manufactured milk continued to come from the United States, New Zealand and Australia, Canadian commitments going direct to the armed forces outside of the United Kingdom. The amount supplied by Canada in 1942 was the same as that shipped in 1941. It has been entirely satisfactory, and no complaints, even of a minor character, were received during the year.

BUTTER, MARGARINE AND COOKING FATS

Butter supplies continued to be provided almost solely by New Zealand and Australia. The two-ounce ration has been maintained, and the quality of the product has been good. Margarine to the amount of four ounces and two ounces of cooking fats per person per week provides the rest of the fats ration.

Canada has not supplied any of these products, and there is no indication that she will be invited to do so, at least in the near future.

EGGS

During the early part of 1942 it was found necessary, in order to make the best use of the available shipping, to change over from the importation of shell eggs to dried eggs. During the year the Ministry of Food continued to distribute to the public shell eggs that were available from home production, including those purchased from Eire, and initiated the distribution of the dried product both to catering establishments and private householders.

Many and varied have been the problems to be met, included in which are those of quality, packaging, storage, and distribution. During the latter half of the year there was more or less regular distribution to the consuming public at the rate of five ounces (equivalent to twelve eggs) to each person every eight weeks. The Ministry proposes to supply one of these packages to each ordinary consumer every four weeks during 1943. This increased quantity of dried eggs

will largely compensate for the anticipated further reduction in the supply of shell eggs.

The two chief sources of supply were the United States and Canada, the amount received from these two countries during the year being estimated at 60,000 tons. For 1943 it is hoped that about 80,000 tons may be imported, of which quantity 65,000 tons will be from the United States and 9,000 to 11,000 tons from Canada; the remainder will come from Australia and Argentina.

The initial program for Canadian supplies in 1942 included 770,000 boxes (30 dozen in each) of fresh eggs to be shipped in shell during the spring months, and arrangements were made for the shipment of an additional 500,000 boxes of storage eggs in the autumn. Following a further request from the Special Products Board, agreement was reached with the Ministry to take an additional 230,000 cases of shell eggs in the fall. The total of these commitments amounted to 1,500,000 boxes (45,000,000 dozens).

Early in 1942 it was found necessary to request Canadian suppliers to change over to drying. This was accomplished with a minimum of delay, and during the year the equivalent of the two first contracts was shipped—137,000 boxes in shell and the remainder in dried form. The demand for shell eggs in Canada was greater than was at first expected, and therefore the third contract for 230,000 boxes was not filled. The arrangement for 1943 calls for 9,000 to 11,000 tons of dried eggs, part in consumer packages (five ounces) and part in fourteen-pound packages for the catering trade. This is the equivalent of 61,000,000 to 74,000,000 dozens.

The quality of the product supplied by Canada has been reasonably good and compares very favourably with the best from the United States. It should be borne in mind, however, that as a wartime emergency the dried egg is a fine product but it is unlikely that the general public would become so accustomed to its use that they would not want to return to shell eggs when they again become available.

HONEY

The importation of honey from sources other than the British West Indies was discontinued in 1942. It was felt by the Ministry of Food that, as there were sufficient supplies of jams and preserves in sight, it was unwise to utilize shipping for the purpose of importing honey. As the Canadian crop in 1942 was one of the poorest in many years and the sugar position in Canada increased the demand for honey, there was apparently no difficulty confronting Canadian producers in completely disposing of their crop. It is understood that stocks in Canada are low, and therefore, even should there be a good crop in 1943, it is unlikely that any honey would be available for export. In any event no demand on the part of the Ministry of Food is at present anticipated.

ORGANIZATION OF THE COTTON INDUSTRY IN THE UNITED KINGDOM

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, April 10, 1943.—During recent months Chambers of Commerce and other similar bodies have shown considerable concern on account of the evidence of pressure from certain quarters for the nationalization of industries which are of vital importance to the country. It is felt that unless such tendencies are opposed, the belief will be created that state control is generally accepted as a matter of national interest. The Government has been urged, before accepting individual proposals which do not meet with general approval, to provide

opportunities for opinions to be expressed by all sections of commerce and industry. Views advanced at present would doubtless pass unchallenged on account of the desire to avoid public controversy that might affect the conduct of the war. The consensus of opinion, however, among business organizations is that in post-war reconstruction the individual trading unit must and will play a leading and permanent part, and many business men have pledged support to the maintenance of private enterprise.

To this end the Manchester Chamber of Commerce has recently sponsored the formation of what is known as the "Cotton Industry Conference". Being convinced that collaboration was vital to a successful future for the cotton industry, a conference of the leaders of the representative organizations in that industry was recently convened, which accepted as a basis for its work the resolution of the Chamber's Executive Council, which sought active participation in efforts directed to the formulation of fully representative proposals dealing with the present and future organization and direction of the cotton industry.

The conference was asked to bear in mind the need to ensure the maintenance of private enterprise and the preservation of those individual units which form the structure of the industry. The conference has met on several occasions, and on the basis of a questionnaire dealing with the organization and direction of the industry, which was sent out to all the leading cotton trade organizations, a report was submitted on April 8 to the President of the Board of Trade. From all quarters the action of the conference has been warmly commended.

By bringing together the representative trade organizations in this way, there are grounds for hoping that the report, which has been based on the opinions expressed by all these organizations, will have wide support.

Unfortunately the proposals cannot be regarded as unanimous in that they do not include the labour interests. Representatives from the trade union organizations covering the interests of operative spinners, weavers and finishers did not accept the invitation to participate in the work of the conference.

The report to the President of the Board of Trade covers the co-ordinated replies to a prepared questionnaire, and represents, except on one point of administrative detail, the unanimous views of the members of the conference.

In accepting the important role of co-ordinator of the various interests affected, the Manchester Chamber of Commerce is making a contribution to the establishment of a national foundation for later detailed constructive measures. The Board of Trade has not yet made any pronouncement in connection with the recommendations contained in its report.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner in Melbourne, cabled under date May 17, regarding the Australian wheat and flour situation, as follows:—

During the first four months of this year the Australian Wheat Board sold 30,000,000 bushels of wheat, and unsold stocks on May 1 aggregated 207,000,000 bushels. Wheat exports were lighter recently. A 20 per cent reduction in wheat acreage is expected, due to manpower diversion and fertilizer scarcity. An increasing quantity of wheat is being sold to live-stock farmers at 62 cents per bushel bagged at port sidings, or 9 cents a bushel less than charged to millers. There were small flour exports to the usual wartime markets with prices unchanged.

CREOSOTING PLANT IN NEWFOUNDLAND

Mr. R. P. Bower, Acting Trade Commissioner at St. John's, writes under date May 14, 1943, with reference to a report on the Newfoundland Industrial Development Board, published in *Commercial Intelligence Journal* No. 2021 (October 24, 1942), that the first concrete evidence of the activities of this organization is the decision of certain interests in Newfoundland to build a modern wood-treating plant at Clarenville on Trinity Bay, Newfoundland. The enterprise is receiving support from the Government and from the Newfoundland Railway, and in its initial stages the bulk of the work will consist in creosoting ties for the railway. It is estimated that the investment will be in the neighbourhood of \$250,000, and it is expected that the demand for creosoted woods in Newfoundland will keep the plant in continuous operation.

CONTROL MEASURES IN INDIA

PAPER CONTROL

Mr. Paul Sykes, Canadian Trade Commissioner at Bombay, reports under date April 8, 1943, that the Government continues to exercise increasing control over domestic trade in all types of paper. Of outstanding interest among recent regulations have been those which require newspapers to report all acquisitions of newsprint either from abroad or from domestic sources and to refrain from selling or consuming such stocks without official permission, to increase prices according to the number of pages in standard issues, and to increase advertising charges by $33\frac{1}{3}$ per cent. Current and future newsprint stocks are to be rationed on a general basis of $12\frac{1}{2}$ per cent of consumption during 1940; this last regulation applies as yet only to the first quarter of 1943. Further regulations are likely to be issued in connection with the distribution and consumption of newsprint throughout the country.

It has been rumoured that the Indian Government may exercise more direct and rigid control over imports of newsprint paper than has been done for some time past through the import licence system. The suggested total quantity of monthly imports, amounting to 750 tons, is a comparatively small figure, its extent having presumably been determined with relation both to the lowest possible domestic requirements and the availability of shipping space.

FOOD RATIONING

After detailed study and preliminary preparations, a system of rationing basic foods such as flour and rice is to come into effect throughout India in the early future. The grains or milled products affected vary as between different parts of the country according to staple local diets. Rationing has been entrusted to the provincial governments, subject to instructions issued by the Central Government on such matters as distributing methods and prices.

As mentioned in a previous report, the recent shortage of wheat experienced in some parts of India has been alleviated to some extent by imports from Australia. The Central Government has, at the same time, taken various steps to ensure more equitable distribution of available supplies of wheat, flour, and rice than has hitherto been possible in the absence of official direction and assistance.

ECONOMIC CONDITIONS IN CHICAGO AND DISTRICT*

M. B. PALMER, CANADIAN TRADE COMMISSIONER

Chicago, May 5, 1943.—The Federal Reserve Bank of Chicago reports that throughout the first quarter of 1943 business activity reflected directly the shifting requirements of war, which continually upset efforts to achieve balance in the wartime economy. The home front has now become very "fluid", so that many individuals and businesses currently operate on a day-to-day basis and make few plans with any degree of certainty for more than a short period ahead.

During March this fluidity was intensified by: the order establishing a 48-hour work-week in critical labour shortage areas; inclusion of the Gary-Hammond-South Chicago (Calumet) area in this classification; further attempts to reduce labour shortages in industry and agriculture; drives to minimize worker absenteeism; revised and expanded war production schedules; mounting selective service inductions; broad extension of food rationing; payment of record federal income taxes; a continued wave of retail buying at a rate faster than the goods can be replaced; and an increasing toll of businesses hit by wartime restrictions and shortages—all in a setting rife with inflationary dangers.

MANPOWER PROBLEM PERSISTS

The lack of manpower now is and appears likely to continue indefinitely during the war as the key handicap to production of goods for war and civilian use. Farmers, basic-material producers, transportation firms, and manufacturers demand more and more workers and the retention of their present labour supply. To improve the utilization of workers now employed, the President, by Executive Order, established a 48-hour minimum work-week in critical labour-shortage areas. Presently affected within the district are: Detroit (Michigan), Sterling (Illinois), and Manitowoc (Wisconsin). On May 1, the order will become fully effective in the Gary-Hammond-South Chicago (Calumet) section, which was only recently classified as a critical labour-shortage area.

The Chicago area, excluding the Calumet section, has been designated by the WMC as an area of "anticipated critical labour shortage" in which only renewals of contracts at present levels of production (requiring no additional workers) should be made and in which "no new contracts should be placed if alternative facilities for their production exist elsewhere." This latter restriction has aroused considerable local and state discussion over whether an actual labour shortage exists in the Chicago area. The WMC estimates that the additional labour demand in 1943 in the Chicago area will be 305,000 workers against a normal supply of only 92,000, leaving a shortage of 213,000 persons to be met principally by bringing more women into the labour force, withdrawals from trade and service activities, and lay-offs in construction employment. These figures have been questioned in the light of reported unemployment data. The shortage classification currently remains in force. An estimated 229,000 additional workers will be needed in the Detroit area by the end of this year.

Revisions in selective service classifications, including the modification of a special class for men from 38 to 45, the immediate induction of childless husbands, and the not-far-distant induction of fathers, have caused some further shifts to more essential employment. In some communities a movement from industrial to agricultural—more readily deferable—occupations has been observed.

* Includes Wisconsin, Iowa, Illinois, Indiana and Michigan

FARM POLICY PROBLEMS

With huge stocks of corn in reserve on farms, price policies have been under critical examination because of urgent needs for the grain for feed and processing requirements. The ceiling of \$1.02 for No. 2 yellow at Chicago was recently raised 5 cents, thus allowing at once a rise which it had been planned to accrue at one cent a month through the remainder of the season. It is hoped that this rise will accelerate the movement of corn to markets.

There has been and continues to be much talk of a ceiling of about \$14.50 on live hogs, Chicago basis. But the Administrators have indicated that this will be attempted only as a last resort, after the effectiveness of slaughter licensing, rationing, and price ceilings has been tested over a reasonable time.

The Appropriations Committee of the House of Representatives recommended in its report on the budget for the Department of Agriculture that parity payments on the 1943 and 1944 crops be dropped, that the Farm Security Administration be abolished and some of its credit functions be transferred to the Farm Credit Administration, and that the national crop insurance of wheat and corn be abolished. Final outcome will depend upon the action of Congress.

Preliminary crop reports indicate a sharp decline in prospects for the winter-wheat crop. Alternate freezing and thawing have caused such damage that considerable abandonment or conversion to succotash is expected. Many farmers are reported to be still harvesting soybeans and corn.

CIVILIAN FOODS RATIONED

In March the civilian population entered on an indefinite period of restricted food consumption. Initially covering canned goods and processed fruits and vegetables, the ration program was extended at the close of the month to meats, butter, cheese, fats, oils, and canned fish. The inauguration of the point rationing system terminated abruptly a rush of buying that had exhausted supplies of certain foodstuffs, particularly meat, in many sections in this area. Canned goods sales lagged, following the introduction of rationing, but gained toward the end of March, when buyers increased their purchases in anticipation of the expiration date of coupons. Meat retailers complain that the point scale for meats is out of balance with consumer demands, leaving many items such as cold meats to deteriorate in counters.

The public in general has adjusted itself quickly to the ration program, although some buyers reportedly are still confused by the "two price" system, involving coupon values as well as money values. Some dislocations in rationed sales, resulting in accumulations of certain goods at both wholesale and retail levels, have appeared. Frequent adjustments in "point values" are expected to keep demand and supply as nearly equal as possible and particularly to move goods that consumers have shown a refusal to buy at existing ration values. To clear up confusion in ration banking, aggravated by the increased volume of ration coupons, the OPA has ruled that ration bank accounts must be opened and maintained only by retailers whose total food sales for the month of December, 1942, or any month since, amounted to \$2,500 or more or who operate more than one store, or who do a mail-order business.

INDUSTRIAL OUTPUT GROWS

Industry is producing a continually greater volume of war goods. Steel ingot production in the Chicago and Detroit areas remained at record tonnage levels throughout March, although new furnace installations at Chicago resulted

in a re-rationing of capacity that slightly reduced the percentage of volume operations temporarily during the month. Confusion over the introduction of the new Controlled Materials Plan persists, with some indications that the program will not be fully in effect as soon as expected. Principal difficulties are: reported unbalanced allotments, quarterly planning of materials to be used in finished goods having an immediate demand basis, warehousing, and acute shortages of specific kinds and sizes of materials.

Except for gasoline, there is a comparatively tight supply of petroleum products in the Mid-West area. Fuel oil demand continues high, despite the lateness of the heating season, because of prolonged winter temperatures. Kerosene is becoming increasingly scarce. Refiners and marketers generally have been accumulating stocks of gasoline to meet agricultural demand and for shipment after the opening of the navigation season on the Great Lakes. Recently released figures show that gasoline consumption for the area in January, 1943, was about one-third less than during the same month in 1942, a slightly greater decline than for the nation as a whole. Despite increased military requirements and seasonal expansion of civilian uses, the over-all demand for petroleum products in April is expected to fall 10 per cent below actual consumption in April, 1942.

Reduction in the volume of new orders received by machine-tool firms in recent weeks foreshadows adjustments for the industry, including substantial conversion to direct war material production during coming months. Present output remains at about capacity, but a decline in total machine-tool demand is now apparent, as an increasing proportion of industrial war plants becomes "tooled up" for production.

RETAIL SALES

Following the greatest wave of buying in any February on record, department store sales levelled off in March. Figures for separate departments within stores show that the heavy February purchases caused sales to more than double their February, 1942, volumes in yard goods; women's and misses' coats, suits, and dresses; juniors' and girls' wear; furs; and luggage. As would be expected from mounting selective service inductions, sales of men's wear increased much less than women's. Boys' clothing and furnishings sales advanced almost 75 per cent over the February, 1942, volume.

CONSTRUCTION

The volume of construction work continues downward. Private building is now limited to war housing; war-plant construction is declining rapidly; and military cantonments are now largely completed. Sales of building material likewise are falling off, except for military use. Building tradesmen are being gradually released from employment in some areas, providing a small reservoir of labour for war industries.

COST OF LIVING

The United States Bureau of Labor Statistics reports an increase of 0.6 and 0.9 per cent in the cost of living in Chicago and Detroit, respectively, between January 15 and February 15, 1943. These increases were among the highest in the country, being considerably above the 0.2 per cent average for large cities. Food again contributed chiefly to the reported rises. These BLS cost-of-living indexes, which have been criticized widely for some time as unrepresentative of actual gains in living expenses, are now being revised further. The March cost-of-living index will not be released until corrections

are made to show more fully the changes in the pattern of wartime consumption of cost-of-living items. The current pattern of family expenditures for goods must be known in constructing valid indexes for prices paid. The current study covers in particular shifts in food purchases from one type of commodity to another, e.g.: changes from canned fruits and vegetables to fresh varieties.

IMPORT AND EXCHANGE CONTROL IN THE BELGIAN CONGO

H. L. BROWN, CANADIAN TRADE COMMISSIONER

Johannesburg, April 10, 1943.—Recently gazetted changes in import and exchange control in the Belgian Congo affect the information conveyed in reports on these subjects which were published in the *Commercial Intelligence Journal* earlier in the year*. The two important measures effecting changes are Ordinance No. 26 of February 1, 1943 (which annuls No. 108 of March 10, 1941, No. 501 of November 19, 1941, and No. 189 of June 10, 1942) and No. 28 of February 1, 1943 (which enlarges upon previous ordinances, especially No. 104 of March 10, 1941). The changes are mainly of minor character and are associated with the organization of a Supplies Control. To avoid possible confusion, the two new ordinances are summarized herewith.

IMPORT PERMITS FOR MERCHANDISE

Ordinance No. 26 provides that the importation of merchandise for consumption in the Belgian Congo is subject to import licence obtained by the importer prior to importation, except for commercial samples, travellers' personal belongings and luggage, and postal parcels containing objects not intended for sale. Goods imported in bond may be only entered for consumption by obtaining and presenting an import and exchange permit or, when exchange is not required, an import permit. Goods in transit, even when in bond, may be passed only if accompanied by appropriate documents establishing that they are actually in transit or if covered by a transit permit authorized by the Governor General of the Belgian Congo. Transference of goods to shipment in bond or to direct transit is subject to licence.

EXCHANGE PERMITS

The sale of foreign currency for use abroad is subject to licence from the Banque du Congo Belge. Importation into the Belgian Congo of securities and exchange is subject to customs declaration, no matter how they may be imported. Securities and exchange are understood to include bank-notes (Congo or foreign); travellers' cheques; letters of credit or any other form of payment; bonds and shares, including Treasury bonds and government loans; joint accounts; credits; and all certificates of deposit of any of the above. Every traveller entering the Belgian Congo must declare at the Customs the securities and exchange he is importing, and details shall be noted on his passport or other travelling document or identity card regarding foreign bank-notes, travellers' cheques, letters of credit or any other means of payment in foreign money which he may be importing. Alternatively he must declare, in writing, at any branch of the Banque du Congo Belge, and within thirty days of arrival, the exchange, etc., subject to inscription on his passport or other such document. Sale in the Belgian Congo of any such security, foreign money, etc., is subject to authorization from the manager of any branch of the Banque du Congo Belge.

Violation of any exchange or import licensing regulations is subject to penalties of imprisonment from seven days to six months or a fine of 1,000 to 100,000 francs, or both. Confiscation of the goods or securities concerned is mandatory.

*"Import Control in the Belgian Congo", published in *Commercial Intelligence Journal* No. 2032 (January 9, 1943), page 36; "Exchange Control in the Belgian Congo", published in *Commercial Intelligence Journal* No. 2034 (January 23, 1943), page 75.

It should be borne in mind that the Belgian Congo is included in the sterling area and that the Canadian Foreign Exchange Control Board permits payment in sterling for exports from Canada to the Belgian Congo, including Ruanda-Urundi.

PROCEDURE PRESCRIBED FOR IMPORTERS

Ordinance No. 28 provides for the procedure to be followed. In collaboration with the Banque du Congo Belge, a Commission has been set up at Leopoldville to enforce control and issue import and exchange permits. The Commission comprises the general manager of the Banque du Congo Belge and the heads of the Departments of Finance, Customs and Economic Affairs (or their representatives), the Chairman of the Supplies Control, and such other persons as may be designated by the Governor General. This Commission is empowered to grant, reduce, postpone or refuse applications for import and exchange licences.

Applications for import licences are submitted for decision to the Supplies Control by the Commission, and may not be accepted by the Commission without the prior consent of the Supplies Control or persons or organizations given appropriate powers by the Control, subject, of course, to any stipulated conditions and limits. However, prior consent of the Supplies Control may be waived if the applicant: —

1. Consents to the orders concerned being centralized and sent forward by the Supplies Control, either in the name of the Control or of the importer;

2. Consents that the Control, within a determined time, distribute the goods among different importers, provided the Control refunds the cost of the goods together with insurance and transportation expenses;

3. Makes prior declaration: (a) of the goods which he has in stock of the type concerned; and (b) of the final use for which the goods concerned are desired.

Decisions of the Commission may be appealed to the Governor General. Application must be on the form provided and, if approved, two copies will be validated. One copy, marked "devises" (currency), will enable the holder to obtain the necessary foreign exchange; the other copy, marked "Douanes" (Customs), is the actual import licence and is presented by the importer when the goods arrive. If importation is made without payment, only the copy marked "Douanes" is used. However, remittance of exchange for purposes other than purchase of goods is effected by use of both documents. Licences are not transferable and become void after six months from the first day of the month in which they are issued. Foreign exchange granted against an unused or expired permit must be refunded to the Banque du Congo Belge.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 70, effective May 17, 1943, Subsection (a) of Regulation 34 is amended, and the first part of this regulation will therefore read as follows:—

34. Export permits are not required for any article or material, with the exception of shipments out of United States ports to the blockade countries listed in Regulation 41,

- (a) When consigned to Canadian Legations, the offices of Canadian High Commissioners, Canadian Consular Offices, the offices of Canadian Government Trade Commissioners, or to official representatives of the Government of the United Kingdom, or their order.

Also in accordance with Export Permit Branch Order No. 70, the exemptions from requiring an export permit for shipments of photographic and projection apparatus and supplies, included in Group 9 (Miscellaneous), to any part of the British Empire is cancelled, and these commodities will now require an export permit when shipped to any destination other than the United States.

TARIFF CHANGES AND TRADE REGULATIONS

South Africa

DUTY-FREE ENTRY OF NEWFOUNDLAND NEWSPRINT CONTINUED

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes that a preliminary commercial agreement between the Union of South Africa and Newfoundland, entered into on October 5, 1939, subject to review on December 31, 1940, and then extended to December 31, 1942, was further extended for an indefinite period, subject to six months notification of withdrawal by either Government. This extension continues in effect duty-free entry of Newfoundland newsprint into South Africa. Canada and the United Kingdom are also granted a similar concession. Newsprint from all other countries is subject to a duty of 5 per cent ad valorem.

Jamaica

PURE FOOD REGULATIONS RESCINDED

With reference to the notice published in *Commercial Intelligence Journal* No. 2047 (April 24, 1943), page 343, regarding regulations governing the sale of butter and margarine in Jamaica, Mr. F. W. Fraser, Canadian Trade Commissioner at Kingston, reports under date May 3, 1943, that these regulations have now been rescinded.

Bermuda

DUTY-FREE ENTRY OF GOODS ADDRESSED TO MEMBERS OF ARMED FORCES

A Bermuda customs tariff amendment of April 21, 1943, admits free of duty articles enclosed in any one parcel, not exceeding in value £2 10s., addressed to a bona fide member of His Majesty's armed forces (other than local forces) stationed in Bermuda, imported for his own personal use on bond being furnished that, in the event of sale locally or disposal otherwise of any of the articles, the duty ordinarily payable at the time of sale or disposal on like articles will be paid.

United States

GOODS NOT ENTERED FOR BONDED WAREHOUSE SUBJECT TO SALE AFTER ONE YEAR

On account of delays in the forwarding of some shipments, the attention of exporters to overseas destinations of goods that require to be transhipped en route at United States ports is drawn to Section 491 of the United States Tariff Act of 1930, as amended, which relates to goods made subject to a "general order" on account of customs entry not having been made within the time provided by law or regulation. The relevant part of Section 491 is as follows:—

Any entered or unentered merchandise (except merchandise entered under Section 557 of this Act, but including merchandise entered for transportation in bond or for exportation) which shall remain in customs custody for one year from the date of importation thereof, without all estimated duties and storage or other charges thereon having been paid, shall be considered unclaimed and abandoned to the Government and shall be

appraised by the appraiser of merchandise and sold by the collector at public auction under such regulations as the Secretary of the Treasury shall prescribe. . . . Merchandise subject to sale hereunder or under Section 559 of this Act may be entered or withdrawn for consumption at any time prior to such sale upon payment of all duties, storage, and other charges and expenses that may have accrued thereon, but such merchandise after becoming subject to sale may not be exported prior to sale without the payment of such duties, charges, and expenses nor may it be entered for warehouse.

Section 557 of the United States Tariff Act, referred to above, provides that any merchandise subject to duty, with the exception of perishable goods and explosive substances, may be entered for warehousing and be deposited in a bonded warehouse for withdrawal within three years. At any time in the first year in which goods are in General Order Warehouse, exporters can take advantage of Section 557 and have the goods removed to bonded warehouse. Section 559 contains the provision for sale of goods remaining in such bonded warehouse beyond three years.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 17, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 17, 1943, and for the week ending Monday, May 10, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 10	Nominal Quotations in Montreal Week ending May 17	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2781	.2775	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). **Weekly** (Price \$1.00 per annum.)

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies). *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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Hon. James A. MacKinnon, M.P.

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Oliver Master

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SEED POTATO SITUATION IN ARGENTINA

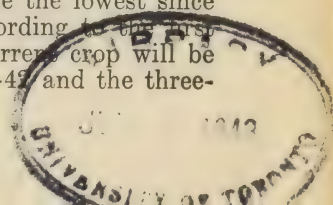
W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, May 5, 1943.—During the past spring and summer months Argentina suffered from severe drought conditions. The total rainfall from September 1 to the end of February was the lowest recorded in many years. This condition was general throughout the Republic. In many areas there was less than nine inches of rain during this period. Some effects of this drought were reflected in the current corn crop, which is estimated at only 21 per cent of last year's production. The sunflower-seed crop is only about 50 per cent of last year's.

Pastures were in a serious condition, and in some parts of the Republic particularly the territory of La Pampa, many head of cattle were lost from the lack of adequate pasture. The dry spell was broken on March 1 and the rainfall during the month took care of immediate requirements and provided a certain amount of reserve moisture. Although pastures have practically recovered and the greatly improved conditions enabled ploughing and the sowing of winter crops, it will be some time before the country recovers from the effects of the drought period.

1942-43 POTATO CROP

This year the production of potatoes in Argentina will be the lowest since 1938-39, with possibly the poorest crop since 1936-37. According to the first forecast by the Argentine Department of Agriculture, the current crop will be 35.6 million bushels as compared with 52.9 millions in 1941-42 and the three-year average 1939-40 to 1941-42 of 43.6 million bushels.



The relatively low production this year is the result of drought conditions during the growing season and a general reduction in the acreage, particularly in the irrigated zones, due to low prices last year. There was no outbreak of late blight in any zones or serious damage from insects, although the aphid population was higher than normal in the Balcarce zone. During the six-month period September to February, the Balcarce and Rosario potato zones had a total rainfall ranging from six and one-half to ten inches. Practically all this rain was in the form of light showers which were followed by high temperature throughout the growing season. Potatoes are planted in the Rosario and Balcarce zones during September and October. The Rosario zone plants a second crop during the summer months of January and February, the date of planting being dependent on moisture conditions, and the acreage is largely governed by the condition of the crop in the Balcarce zone. This season the Balcarce crop is poor, and the first crop in the Rosario zone, harvested last December, was also poor, due to the lack of rain. The planting of the second crop in Rosario was delayed somewhat this season for the same reason. Some growers planted during the last week of January, while the bulk of the acreage was planted in February. This zone had good rains during March and April, with the result that the crop is doing well. The fields that were planted comparatively early are in most cases badly missed, the result of the seed rotting in the hot, dry soil at planting time. The fields planted later have good stands, although there is danger of early frosts in this zone.

The condition of the crop in the irrigated zones Rio Negro and Mendoza was good. A large part of this acreage was planted with first- and second-generation domestic certified seed from the Balcarce zone. The crop in Rio Negro and Mendoza is practically all harvested, the yield being about the same as last year. However the acreages in these zones were down this year by about 23 per cent and 30 per cent respectively. The crop in San Juan is not as good as normal.

According to the second estimate by the Department of Agriculture, the area planted to potatoes in 1942-43 was 479,180 acres as compared with 585,390 acres in 1941-42; this represents a reduction of 18.1 per cent. Argentina had a record production of potatoes in 1941-42. Table stock prices were low throughout the year, which was a factor in causing a reduction in the acreage for 1942-43, particularly in the irrigated zones. In the Balcarce and Rosario zones the unfavourable moisture conditions at seeding time partially accounted for the reduced sowings. The following table shows the production and the amount of potatoes available in each of recent years:—

Argentine Production and Stocks of Potatoes

	Production	Imports of Table Stock	Exports of Table and Seed Figures in Bushels	Amount Available	Imports of Seed
1942-43	35,637,800*	.....	.....	.....	Nil
1941-42	52,979,080	Nil	1,148,745	51,830,335	134,372
1940-41	38,687,220	Nil	1,581,793	37,105,427	422,436
1939-40	39,359,250	Nil	1,291,228	38,068,022	1,265,355
1938-39	31,197,075	656,061	168,630	31,684,506	646,543
1937-38	34,976,480	1,029,074	282,604	35,722,950	1,756,979
1936-37	8,075,636	7,513,133	109,596	15,479,173	322,027
1935-36	18,967,833	4,557,698	116,975	23,408,556	1,323

* First official crop estimate.

IMPORTS AND EXPORTS OF TABLE POTATOES

There have been no imports of table potatoes into Argentina since 1939. Domestic production for the crop years from 1939-40 to 1941-42 were sufficient to amply supply local requirements and at the same time leave a surplus for export.

The following table shows the Argentine exports of table potatoes since 1937:—

Argentine Exports of Table Potatoes

	1937	1938	1939	1940	1941	1942
			Figures in	Bushels		
British W. Indies		10,765	.....	.....	441	3,032
Brazil		8,156	4,409	212,137	115,290	2,426
Bolivia .....		.....	.....	34,058	7,862	3,528
Paraguay	28,474	49,819	50,664	72,304	50,150	44,182
Uruguay	73,480	63,193	37	721,243	1,188,943	750,344
Dutch W. Indies .....	.....	.....	.....	32,148	.....	3,390
Venezuela .....	.....	.....	.....	551	.....	1
Chile .....	.....	42,655	.....	.....	.....	1
Totals	101,954	174,588	55,110	1,072,441	1,362,686	806,903

ARGENTINE CERTIFIED SEED

Argentina had 15,924 acres of seed potatoes that passed field inspection in 1942-43 as compared with 12,352 acres passed in 1941-42. There were no imports of seed potatoes last season, consequently the domestic seed in the country is at least second-generation. Of the total area passed this season, 15,746 acres were in the Balcarce-Mar del Plata zone, of which 10,278 acres were second-generation Katahdin and 3,446 acres were second-generation White Rose. A total of 427 acres was rejected in this zone as compared with 747 acres last year. Leaf-roll was the principal cause for rejection.

Due to the drought conditions during the growing season, the yield of current seed crop will be about 50 per cent below that of last year. The Certification Service estimates that the production of certified seed for 1942-43 will not be over one million bushels. The production of graded certified seed in 1941-42 was estimated at slightly over 2 million bushels and in 1940-41 at about 1.5 million bushels.

The following table shows the results of field inspection in Balcarce zone in 1942-43:—

Field Inspection in 1942-43 in Balcarce Zone

	Second Generation		Third Generation		Total	
	Passed	Rejected	Passed	Rejected	Passed	Rejected
			Figures in Acres			
Katahdin	10,278	198	1,420	49	11,698	247
White Rose	3,446	126	556	..	4,002	126
Green Mountain .....	....	54	....	..	....	54
Great Scott	12	...	....	..	12	...
Kerrs Pink	12	...	....	..	12	...
Majestic	11	...	....	..	11	...
Up-to-date	11	...	....	..	11	...
Totals	13,770	378	1,976	49	15,746	427

In the Mendoza zone a total of 178 acres passed field inspection as follows: Katahdin, 121 acres of second generation, 37 acres of third generation, and 5 acres of fourth generation; White Rose, 15 acres of third generation. A total of 121 acres was rejected in this zone, of which 91 acres were Katahdins.

CERTIFIED SEED EXPORTS

Argentina exported 341,842 bushels of certified seed in 1942 as compared with 219,007 bushels in 1941 and 218,787 bushels in 1940. Uruguay continues to be the principal market for Argentine seed. Last year—mostly during July and August—Uruguay purchased 314,854 bushels as compared with 202,437 bushels in 1941. Owing to the uncertainty of supplies of imported seed from Canada or elsewhere for its January planting, Uruguay increased her purchases of Argentine seed for the September-October planting in order to ensure having some domestic seed available for the January planting.

Exports of Argentine certified seed in 1942 were as follows: to Uruguay, 314,857 bushels; Paraguay, 26,979 bushels; and Brazil, 9 bushels.

NATIONAL POTATO MARKET

"El Mercado Nacional de Papas" (the National Potato Market) was established in 1934, based on a government decree issued in 1933 that authorized the Federal Department of Agriculture to regulate the grading and marketing of potatoes in the city of Buenos Aires. Prior to the establishment of this central market there was a large number of small consignees not governed by regulations covering the grading or quality of the product they handled, with the result that retail prices of potatoes in times of scarcity were considerably out of line with those paid to producers.

This year there are eighty-six dealers licensed to operate in the National Market. The grower may send his produce to any of the dealers, who in turn sell to retailers through the market. The dealer charges a commission of 4 per cent and the National Potato Market charges a $4\frac{1}{2}$ per cent commission which includes the cost of inspection and up to six days' storage. There is also a charge of 30 centavos per 60-kilo sack for unloading at the warehouse.

The dealers sell to the retailers "on the floor", each transaction being recorded and posted on the board, which also shows the stocks on hand in the shed and the entries for the day.

In practice many dealers buy direct from the grower and ship to the market for their own account. It is reported that the dealers, through co-operation among themselves, have regulated the entries to the market and thus maintained certain price levels.

About 95 per cent of the potatoes consumed in the city proper, averaging about 45 carloads daily, go through this central market, as does also a certain portion consumed in the suburbs. The production on quintas (very small farms) within 40 kilometres of Buenos Aires may be sold either through the market or direct to the consumer. This produce is classed in the market as garden crops. All other potatoes, including imported table and seed potatoes, must go through the market.

The warehouse of the central market was formerly a customs shed, and is located in the port area. The building has a floor space 1,312 feet long and 82 feet wide, with 26 loading doors on each side. The west side will accommodate about 40 rail cars, both the platform and rail cars being under cover. The east side will accommodate about 200 trucks or carts and is not sheltered.

The normal storage capacity of this warehouse is about 100,000 sacks of 60 kilos (132 pounds each). However, in an emergency over 150,000 sacks could be housed in the building.

The city of Buenos Aires is by far the largest market for Argentine table potatoes. The population of greater Buenos Aires is about 3,500,000 and according to data supplied by the national Potato Market, consumes an average of about 45 carloads of potatoes daily. The next largest market is in the city of Rosario, with a population of about 500,000. This city is situated near and is supplied with potatoes from the Rosario zone.

Normally about 35 per cent of the potatoes consumed in Buenos Aires are from the irrigated zones Mendoza, San Juan and the Rio Negro. Crops from these zones are marketed from February to October. The province of San Juan, which is just north of Mendoza, accounts for the largest portion marketed from the irrigated zones during December and January. Early potatoes from the northern provinces of Salta, Jujuy and Tucuman normally come on the market during October and November or at the finish of the Balcarce crop. The temperatures are comparatively higher in the northern zone, and the White Rose is the favourite variety in this area.

The consumption of potatoes in Buenos Aires is at its peak during July and August, the winter months, and at its lowest during February, which is midsummer in Argentina.

The following table shows the average quantities of table potatoes supplied to the National Potato Market from the various zones for the years 1940, 1941 and 1942; during this period the Argentine production was sufficient to meet domestic requirements and there were no imports of table potatoes:—

Source of Supply of Table Potatoes for Buenos Aires
(Average for 1940 to 1942)

	Irrigated Zones		Total Irrigated	Balcarce Zone	Rosario Zone	Salta Jujuy Tucuman	Others	Total
	Mendoza San Juan	Rio Negro						
Bushels.	3,045,290	815,630	3,860,920	3,179,905	2,622,273	958,966	442,577	11,064,641
Per cent	27.5	7.4	34.9	28.7	23.7	8.7	4.0	

Since the 1942-43 crop came on the market in December, the potato market has been firm. Wholesale prices steadily improved, and during the past two months top prices reached 14.50 pesos per 60-kilo sack, the highest since 1937. The generally higher prices are due to the short crop this season. The poor crop from Rosario zone kept prices up early in the year and, as the crops from the irrigated zones and Balcarce came on the market, prices were down slightly during April but still maintained a level above those for the last three years. The prevailing prices from January through April have been from 7.20 to 14 pesos per 60-kilo sack.

GENERAL OUTLOOK

In an attempt to relieve the inevitable shortage of table potatoes in Argentina during next September-October, the Federal Government is giving financial assistance to growers in the northern zone (Salta, Jujuy and Tucuman) to obtain domestic seed in order to have potatoes on the market from this area earlier than usual. The crop from this zone is normally marketed in November and December.

The first crop in the Rosario zone, harvested in November, was poor, due to the lack of rain in September and October. The sowing of the second crop in this zone was delayed for the same reason and, while the fields planted late have good stands and show promise of a good crop there is the danger of May frosts. The official estimate by the Department of Agriculture is based on an average yield in this zone.

The current crops in the irrigated zones of Rio Negro and Mendoza are good. However, the acreages this season were down by about 23 per cent and 30 per cent respectively, and the total supplies from these zones will be proportionately reduced.

While the acreage of seed potatoes passing field inspection this season was slightly above that of last year, the production of certified seed will be only about 50 per cent of the previous crop. The domestic certified seed is practically all second or third generation from imported stock, since there were no imports of seed for the 1942-43 planting last September-December.

From the standpoint of virus diseases the second- and third-generation stock is holding up well. Under Argentine conditions, with each successive generation the dormancy period is apparently shortened; consequently by the fourth generation much of the vitality is lost through excessive sprouting before planting. The latter is due to the lack of proper storage from April to September or October. The dry weather during the past season caused many fields to ripen prematurely, which will also tend to shorten the dormancy period of the seed held for planting next season.

On the basis of the same acreage as was planted in 1942-43, Argentina will have domestic certified seed for about 15 per cent of the acreage next season. This seed is all second generation or later, since there were no imports of certified seed for the 1942-43 planting last fall.

The Katahdin is still the favoured variety in Argentina, and accounts for the bulk of the production. This stock is for the most part from Canadian seed supplied by the Province of New Brunswick. The White Rose variety, which is preferred in the northern early zone, is from seed imported from the West Coast of the United States.

DEMAND FOR SEED POTATOES

Owing to the drought conditions during the past growing season, Argentina has a short crop of both table and seed potatoes. During 1942 the prices of table potatoes continued at higher levels than in any corresponding period since 1937. Undoubtedly the potato market will continue strong; basic conditions are such that there would be a good potential demand for certified seed potatoes this fall, if shipping were available.

NORTHERN IRELAND AGRICULTURE IN 1942

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Belfast, April 24, 1943.—The campaign to grow more cereals and vegetables resulted in the yield from the 1942 harvest, showing an increase of 5 per cent over that for the preceding year. Due to unfavourable weather, wheat, barley, and rye did not do well, otherwise total production would have been greater. The potato crop increased by 20 per cent, but that of turnips and mangles fell by 10 per cent. Kale (grown for winter stock-feeding) gave a good return. As a whole the results have not been entirely satisfactory, and sufficient explanatory details are not available to present a clear picture of the situation. Exhortation to improvement, however, continues unabated.

FLAX

The flax area was reduced by approximately 19 per cent as compared with 1941. But in view of the losses sustained by inexperienced growers in 1941 and of the fact that the 1942 crop is regarded as showing much better promise, having been handled earlier and better, the gap in production between the two years will not be as great as the reduced area would seem to indicate. What is sought in the case of flax is not so much a maximum crop as an optimum one. Rotation grasses for hay showed an increase of 21 per cent, while the area under permanent meadow hay was reduced by 4 per cent.

LIVE STOCK

The total number of cattle at June 1 showed an increase of 5 per cent as compared with 1941. The number of sheep declined by about 9 per cent, but is still well up to the pre-war average. Pigs decreased by 22½ per cent, and the number has now fallen well below half the immediate pre-war level. The number of horses for agricultural purposes showed little variation since 1941. There was a further increase of nearly 13 per cent in poultry on farms at June 1, comprising mainly ordinary fowl and ducks.

FARM LEGISLATION

The principal legislative measure enacted by the Northern Ireland Government during 1942 was the Control of Employment (Agriculture) (Northern

Ireland) Order 1942 which came into force on March 16. This was designed to ensure that, as far as practicable, farmers would have a reasonable amount of help available at harvest time. National Service officers were empowered to refuse to release a farm labourer for any other task and to require those not engaged in agriculture to return to it. A worker was not permitted to leave the farmer without giving due notice, nor might his employer pay him off. Under certain conditions those who became unemployed because of action taken under the Order would receive compensation until re-employed. In connection with agricultural wages several Orders were issued during the year, chief among which was one in April that increased by 5s. 3d. the minimum schedule while another raised the maximum value of benefits given in lieu of cash. Orders were also made fixing standard rates for flax pulling and for the hand scutching of flax and tow.

CONTROL MEASURES

Among a large number of orders and regulations introduced during the year for the purpose of controlling the distribution and prices of agricultural commodities, those calling for special mention relate to the cereal crops and provide for the better supervision of the channels of trade in the case of wheat, oats, barley and dredge-cereal. (Dredge-cereal is a mixture, usually of oats and barley grown together for malt.) Owing to the growing uncertainty of the supply position and to the need for preventing the illegal export of fertilizers from Northern Ireland, new arrangements were introduced in the summer whereby merchants were not allowed to sell, or farmers to buy, fertilizers without a permit issued by the Ministry. Steps were also taken to restrict the prices of second-hand tractors to a figure commensurate with their value.

ASSISTANCE TO AGRICULTURE

Financial assistance continued to be given to the industry on a generous scale. For the ploughing-up of old grassland, farmers received a bonus of £2 per acre, a total of £350,000 being expended in 1942 on this account. The increased area under potatoes reflected the payment of £1,500,000 for land sown to this crop as at June 1 last.

During the year the Land Improvement Scheme was administered on lines similar to those of previous years. The total number of applications received was 22,560, of which 22,386 were approved. The aggregate paid during 1942 by way of grants was £168,160, representing 15,650 claims. It is apparent from these figures that farmers made good use of the opportunities afforded for making essential improvements. The scope of the scheme was enlarged during the year by the extension of assistance on a basis of 50 per cent of the cost of labour and materials for the eradication of bracken and the supply of water to agricultural land. On account of the increased scarcity of domestic fuel and the consequent necessity of making peat more accessible, a subsidy, in approved cases, of 75 per cent of the labour costs was provided for the construction or mending of bog roads.

Under the Land Fertility Scheme, farmers continued to obtain supplies of lime at half the cost, delivered at the farm. Furthermore, in order to meet labour problems in the lime industry by keeping the works going at maximum capacity in the summer months and at the same time ensure against a possible shortage for agriculture in the winter, the Government increased the exchequer payment on this account to 75 per cent of the cost for lime delivered to farmers during the period May 18 to August 31. This additional bonus was also intended to compensate for the inconvenience and any additional costs involved in storage and double handling. Applications for grants for deliveries during last season numbered 10,828, and the total amount involved was approximately £80,000.

The Hill Sheep Subsidy Scheme, which has as its objects the preservation of foundation breeding stocks of mountain sheep and the maintenance of the productivity of hill grazings, for meat and wool in war time, was payable at the increased rate of 7s. 6d. for each eligible ewe and female shearling on hill grazings as at January 1, 1941. The total amount of these payments during 1942 was £54,500.

The loan schemes administered by the Ministry continued to benefit farmers in need of temporary financial assistance to purchase agricultural machinery, seeds and fertilizers and live stock. Sums of £113,000, £16,000, and £1,300 respectively were lent during 1942 for purchases of these three classes of commodities.

SCOTTISH INDUSTRIAL NOTES

G. B. JOHNSON, CANADIAN TRADE COMMISSIONER

Master Plan for Clyde Valley

Glasgow, April 12, 1943.—The Government is prepared to make a substantial contribution to the cost of preparing a master plan for the reshaping of the industrial area of the Clyde Valley. Into this plan will be dovetailed the plans of individual local authorities. This announcement was made in Edinburgh last month by the Secretary of State for Scotland at a conference of government officials in Scotland, planning authorities, and representatives of town and county councils.

In this tightly packed industrial area the foundation of prosperity for generations past has been the heavy industries—shipbuilding, iron and steel manufacturing, engineering in its numerous branches, and coal mining. These industries, partly because of their being almost entirely dependent on export trade, are the first to feel and the last to recover from a world-wide depression such as occurred ten or twelve years ago and subsequently. This lack of industrial balance needs to be corrected by the introduction of other light industries more concerned with the home market and less subject to repercussions from abroad. Consideration is to be given to the question of how new developments of this nature can be initiated while at the same time the heavy industries are maintained or even expanded. As a preliminary step, the Clyde Valley Planning Advisory Committee is to be reconstituted on a broad basis and the area expanded so as to include the northern part of Ayrshire in the west, part of Stirlingshire in the east, and Glasgow and the counties of Lanark, Renfrew and Dumbarton in the centre.

While the committee, whose work will be co-ordinated and directed by an experienced planner yet to be appointed, will have power to plan housing, water supplies, and gas and other public services, special attention being given to planning for industrial development in the direction indicated above.

Shipbuilding and Engineering

The exceptionally mild winter has helped to maintain the output of new ships in the Clyde yards at a high level. Furthermore, skilled and unskilled labour, as well as the managements, are fully alive to the urgent need for new ships, not only warships but also troopships and merchant vessels to meet the menace of the U-boat and to convey troops, weapons, and a mounting volume of munitions and supplies to many theatres of war. This appreciation of the position is an incentive to achieve still greater production during 1943 than the high tonnage outputs of last year. The number of women workers has been increased, and various training centres in Glasgow and elsewhere continue to provide a steady flow of semi-skilled labourers, male and female, many of whom

are soon qualified for skilled employment both in the shipbuilding yards and in the engineering works. In the former, women have been taking an important part as welders. For a long time shipbuilding on the Clyde has been free from strikes of a serious nature, disputes having been settled by reference to the National Arbitration Tribunal.

SOUTH AFRICAN BUDGET PROPOSALS

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 26, 1943.—The Union Minister of Finance, in presenting his budget for the fiscal year 1943-44 in the House of Assembly at Cape Town on February 24, pointed out that for this period the sum of £100,540,500 must be raised on revenue account. Of this amount, £90,796,000 would be available from existing taxes, leaving £9,744,500 to be raised by new taxation measures.

In tabular form the budgetary position of the country is summarized as follows:—

South African Budgetary Position

1942-43—		
Revenue (final estimate)	£	95,020,000
Expenditure (revised estimate)		93,600,000
Surplus, to be applied to war expenses	£	1,420,000
1943-44—		
Expenditure (estimated)	£	100,240,500
Revenue (on existing taxation basis)		91,026,000
Estimated deficit	£	9,214,500

To which must be added the following amounts to be paid from revenue:—

Malnutrition scheme	£	50,000
Social welfare grants		20,000
War veterans		80,000
Civil pensioners		50,000
Civilian protective services		100,000
Transferred to native trust		230,000
	£	530,000
Total deficit estimated for 1943-44	£	9,744,500

As regards the deficit, it is proposed to increase the excise and customs duty on spirits, beer, tobacco and cigarettes and to increase postage rates and tax telephone accounts. Inland revenue taxation will be increased by raising the income tax, companies' taxes, the excess profits duty and the gold mines special contribution, while railroad fares will also carry a surcharge.

Particulars of the amounts it is estimated will be raised from all these sources are subjoined:—

Customs and Excise—		
Excise on local spirits, 10s. per gallon increase	£	1,400,000
Customs duty on spirits, 30s. per gallon increase		50,000
Increased excise on beer		605,000
Cut tobacco, 6d. per lb. increase		300,000
Cigarettes, 2d. per packet of 50		1,000,000
Adjustments		125,000
		£3,480,000
Postage—		
Additional ½d. on letters and postcards	£	350,000
Telephone accounts, 12½% levy		335,000
	£	685,000

Inland Revenue—

Companies' tax, increase of 6d. in £.	£1,030,000	
Excess profits, increase from 13s. 4d. to 15s. in £. . .	825,000	
Gold mines special contribution, increase from 20 to 22½% . .	910,000	
Diamonds.	135,000	
Personal and savings levy increase	350,000	
Income tax, 15% increase.	800,000	
Foreign shareholders, increased tax.	480,000	
Railway fares (1st and 2nd class) 15% surcharge. . . .	500,000	
		<hr/>
		£5,030,000
Total increased taxation		£9,195,000
Leaving final deficit for 1943-44 estimated at.		549,000

In introducing his budget, the Minister stated that the period 1942-43 was much more favourable than had been anticipated and, but for an increase in defence expenditure, the year would have ended with a credit balance of £3,500,000 on revenue account. He pointed out that in time of war there could be no question of a balanced budget, and that any credit on revenue account must be set against the deficit on loan account. Despite the necessity for providing the large additional sum on revenue account, such as for increased cost-of-living allowances and subsidies for fixing the price of bread, the country, apart from the increased defence expenditure, would be better off by £5,200,000 at the end of the financial year than had been estimated at the beginning of the period when a deficit of £300,000 was expected.

REVENUE BUOYANT

The favourable course of the financial year 1942-43 was due to the buoyancy of revenue. It was now proposed to raise £13,000,000 more than last year. Additional taxation was introduced last year, but this amount was considerably more than the estimated yield from that taxation. This was all the more significant in view of the considerable decline in one of the most important sources of revenue, customs dues.

It was expected originally that customs dues on petrol would yield £4,500,000, but that amount had now to be reduced by 25 per cent for the year 1942-43. The value of imports had declined from £101,000,000 in the calendar year 1941 to £84,000,000 in 1942. A decrease in customs dues of £2,500,000 was expected. Approximately half of this, however, would be offset by the increase in excise duties above the estimated yield, especially on spirits, beer and cigarettes.

For the first time excise duties would yield more than customs dues. There would be a shortfall of approximately £1,300,000 on customs and excise duties. The post office revenue, however, would reduce that amount by £315,000, leaving a shortfall of approximately £1,000,000. The surplus from inland revenue above the original estimate would not only wipe out this amount but would also provide an additional £6,550,000. The fixed property profits tax in 1942-43 would yield £160,000 instead of the £450,000 estimated at the beginning of the year.

LOAN ACCOUNT

On loan account the position was even more favourable. The year had begun with an unexpected credit balance of approximately £3,000,000. The surplus of revenue for 1941-42 was £1,500,000 more than was originally anticipated. It was now estimated that £3,600,000 less would be expended than had been expected. Income on loan account would probably be more than £3,250,000 above the budget figure. Despite the increase in war expenditure from £72,000,000 to £96,000,000, the net amount that would have to be borrowed this year (£45,467,000) was not much more than the sum borrowed last year. If the £5,000,000 spent on the purchase of shares in Iscor and in the Industrial Developments Corporation were deducted, the net increase in the country's debt was less than £40,500,000. An amount of £100,000 for costs of loan issues

brought the net increase in the amount to be borrowed to £45,567,000 and the total of the public debt to £426,689,000, against which there was £10,721,000 in the redemption fund, so that the net amount of the debt would be £415,968,000. Although the internal debt was showing a considerable increase, there was a substantial reduction in the foreign debt, the net total of which would be about £16,750,000 on March 31. The net reduction of the temporary debt by £700,000 and the repayments to the value of £32,122,000 on certain stocks mainly under the two repatriation schemes has made it necessary to find £78,387,000 during the year in loan issues; this had been successfully achieved, and is proof of the confidence of the public in the country's financial stability. It was also significant that a large part of this amount had been provided by those who could not be classed as capitalists or as well-off. The interest paid on the public debt now remained almost entirely in South Africa, and the proportion of that interest which went to the poor man and the middle-class citizen was progressively increasing.

BANKING

The gold reserves of the Reserve Bank, together with the gold premium paid on gold purchases, had shown an increase of £64,339,000 in the calendar year 1942, while the bank's foreign exchange had increased by £573,000. The value of bank-notes in circulation had increased by £9,500,000. The cash reserves of the commercial banks had increased by £49,000,000 and their debts to the public by £50,000,000. Their surplus funds were invested either with the Reserve Bank or in easily negotiable stocks, so that, when necessary, they could make money available without inconveniencing either their debtors or themselves. Their conservative policy was a source of strength for the future. The strong gold position of the Reserve Bank remained a guarantee of a fundamentally sound financial system for commerce in the Union.

REVENUE IN 1943-44

Whereas £94,480,000 would be received in revenue in the current fiscal year, that figure had to be reduced to £91,026,000 for 1943-44. Customs revenue could not be put at more than £7,025,000, but it was expected that excise would make up some of the deficit, and that revenue from customs and excise together would not be more than £605,000 below the revised figure for the current year.

Post Office revenue was expected to increase by £200,000 and to reach £8,000,000. In inland revenue, regard had to be had for a falling-off in the most important source, the gold mines; about £2,200,000 less would be obtained from this source than in 1942-43.

Revenue from income tax on individuals and companies would be more than the original estimate for 1942-43 but less than the revised estimate. Account had to be taken of the decrease in supplies and of other influences restricting commerce, while a decrease in gold-mining dividends reduced the yield from super-tax and taxation of foreign shareholders. However, an additional amount of more than £1,000,000 was expected from the first full year of operation of the trade profits special levy and the increased death duty. Other sources of revenue were expected to remain more or less stable. The estimated revenue of £91,026,000 for 1943-44 on the existing basis of taxation included £230,000 as the yield of one-sixth of the native tax; but as the funds available to the Native Trust for native education were far from adequate, it was proposed to concede this sum to the Native Trust, leaving a total of £90,796,000.

EXPENDITURE IN 1943-44

The estimate of general expenditure for the coming year, excluding defence, was £52,240,000, an increase of £3,789,880 over the amount voted during the

last session. A large part of this increase represented cost-of-living allowances to officials, £775,832 more being provided for this purpose this year. Pensions (increase, £1,134,000), war pensions (increase, £731,400), old-age pensions (increase, £289,000), and war veterans' pensions (increase, £100,000) also contributed to the higher expenditure. There was an increase of £617,400 in the public debt—a figure lower than would have been expected in the circumstances. Expansion of the activities of government departments had to be taken into account. The Post Office, which was expected to earn £8,000,000 for the State in the coming year, was to pay an extra £456,800 in cost-of-living allowances.

DEFENCE EXPENDITURE

It was again difficult to make a precise estimate of defence expenditure, which was to be met partly out of revenue and partly out of loan funds. For 1943-44 the figure was put, with necessary conservatism, at £96,000,000, and it was hoped to obtain £48,000,000 of this from revenue account. The estimates, as laid on the table earlier, placed the figure at £40,000,000. When the estimates had gone to press, it was not possible to fix the amount finally, and last year's figure had thus been used preliminarily. The total estimate of expenditure before the House was thus £100,240,500. There were certain further amounts, however, which the Government would be prepared to add.

SUMMARY

In speaking of the general economic position of the country, the Minister stated that it was characterized by increased supplies of money and decreased supplies of goods, a feature which was common throughout the whole world. He regarded the current purchase of real property at inflated prices as being an unsound development and advocated the reservation of the abundant money of to-day to meet the inevitable reaction that will follow the war.

Social security measures covered by the budget included contributions by the Government to the National War Fund, which is used to assist the families of the fighting forces and has hitherto been maintained by voluntary subscription, measures to combat malnutrition among school children, subsidies to the Social Welfare Department, and an increase in war pensions.

POST-WAR PLANS FOR THE PORT OF NEW YORK

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

New York, May 4, 1943.—A recent report by the Commissioners of the Port of New York Authority makes a vigorous plea for joint planning by New York and New Jersey to meet the trade and transportation problems which will confront this port after the war. It was indicated that one out of every ten persons in the metropolitan area is directly or indirectly dependent upon the port for a livelihood. In addition the New York and New Jersey sections of the port together represent a plant investment of several billion dollars. In the event that there is a sharp decline in foreign trade, the livelihood and investment in this area would be seriously threatened.

Apart from the possibility of a foreign trade decline, three specific dangers to port commerce are cited. The Port of New York must meet the challenge of the revolution in transportation which has been accelerated by the war. Extraordinary measures will be necessary to regain the commerce that has been diverted to other ports. Finally, the danger of burdensome terminal and local transport costs must be attacked with new vigor and decisiveness.

TRANSPORTATION CHANGE

While the Commissioners anticipate large increases in the use of airplanes for cargo and passenger traffic, they feel that the railways, ships and trucks will

move the bulk of commerce. However, an important volume of high-grade freight and passenger traffic will be handled by air transport, and consequently the port should prepare for the development of facilities and the acquisition of those services that will make the port the crossroads of the world's air lanes.

TERMINAL COSTS

An appeal is made to government, labour and business to co-operate in combating high terminal costs, which are "the destructive by-product of extensive metropolitan development." In the anticipated period of intensified interport competition following the war, the Port Authorities should take steps to reduce the cost of doing business. Economies in terminal operations, coupled with unification of railroad harbour operations, are suggested as a type of improvement both during and after the war.

UNION TERMINALS

Among the projects discussed from the the standpoint of early post-war construction are a series of union motor truck terminals, a union produce terminal, and a union grain elevator.

All indications point to the increasing use of the motor truck for terminal operations of all carriers. Once the goods arrive at the boundary of the Port District, it is within the power of the Port Authorities to keep terminal costs at a minimum level. Efficient use of the motor truck for terminal service, in handling miscellaneous package merchandise, demands a series of strategically located terminals.

NORTH ATLANTIC PORTS TRAFFIC CONFERENCE

The Authority is aware that vigorous steps will have to be taken to combat attempts at unfavourable rate manipulations and to secure the allocation of adequate steamship service after the war. A significant development of the past year in this direction is the increasing alignment of the ports in competition for traffic. The Port Authority participated in the organization of North Atlantic Ports Traffic Conference, which includes representatives of eastern seaboard ports from Boston to Richmond. This conference method is expected to prove useful in meeting some of the problems that will confront the Atlantic ports after the war.

FOREIGN TRADE ZONE AT NEW YORK

The New York foreign trade zone is the only one in operation in the United States at present, and in this zone large quantities of miscellaneous foreign merchandise have been accommodated in transit or for subsequent transshipment when possible to various foreign countries. In the annual report of the Foreign Trade Zones Board, Washington, D.C., it was pointed out that much of the material in the New York zone was essential to the country's national defence program, and the Government was able to secure strategic supplies for war purposes, which, except for the existence of this zone, might never have reached the United States.

Each year since this zone was established in 1937 it has set new records for the value of merchandise handled. However, since Pearl Harbor military necessity has required the New York zone to curtail its operations and to transfer a large part of them to several piers on the Manhattan side of the Hudson River.

The growing importance of the New York zone in developing foreign commerce, especially over-quota coffee and sugar, Brazilian and Peruvian cotton, Latin American canned meat, Sumatra tobacco, and other similar products has prompted other ports to look forward to establishing such facilities. The Foreign Trade Zones Board emphasizes the post-war value of such facilities and hints that action may be taken after hostilities cease to assist in establishing additional free trade zones.

UNITED STATES SEED POTATO REGULATIONS REVISED

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, May 17, 1943.—A further amendment to Maximum Price Regulation No. 271, effective May 15, removes the differential of 75 cents per 100 pounds that had been established in favour of selected white seed potatoes over the maximum price for table stock. This differential was referred to in a report published in *Commercial Intelligence Journal* No. 2044 (April 3, 1943), page 269. At the same time the Office of Price Administration lifted the prohibition against the sale of selected seed potatoes for human consumption. This regulation does not, however, alter the position with regard to certified seed potatoes, which are still restricted to sales for seeding purposes only.

The Office of Price Administration, in issuing the amendment, explained that the 75-cent differential had been established in favour of seed potatoes to help keep them in regular seed trade channels and to assure an adequate supply for planting purposes. The end of the planting season is now approaching, and it is reported that an adequate supply of selected seed potatoes has been provided for next year's crop. The prohibition against the sale of certified seed potatoes has not been removed at this time because there are still some of these potatoes on the market that are required for planting rather than for food purposes.

CANADIAN SHIPMENTS VIA THE UNITED STATES SUBJECT TO SALE UNLESS REMOVED TO BONDED WAREHOUSE

The attention of Canadian firms who are routing export shipments through the United States is directed to an announcement which appeared on page 428 of last week's issue of the *Commercial Intelligence Journal* and which is reproduced below. Due to wartime conditions, unavoidable delays sometimes occur in securing ocean shipping from United States ports of exit. If, as a result of such delays, shipments remain in the United States for a period exceeding one year without a customs entry being made, the goods are subject to seizure and sale at public auction under the United States Tariff Act of 1930. The relevant part of Section 491 of this Act reads as follows:—

Any entered or unentered merchandise (except merchandise entered under Section 557 of this Act, but including merchandise entered for transportation in bond or for exportation) which shall remain in customs custody for *one year* from the date of importation thereof, without all estimated duties and storage or other charges thereon having been paid, shall be considered unclaimed and abandoned to the Government and shall be appraised by the appraiser of merchandise and sold by the collector at public auction under such regulations as the Secretary of the Treasury shall prescribe..... Merchandise subject to sale hereunder or under Section 559 of this Act may be entered or withdrawn for consumption at any time prior to such sale upon payment of all duties, storage, and other charges and expenses that may have accrued thereon, but such merchandise after becoming subject to sale may not be exported prior to sale without the payment of such duties, charges, and expenses nor may it be entered for warehouse.

Exporters should note, however, that at any time in the first year in which shipments are in general order warehouse the goods may be removed to a bonded warehouse, where they may remain for a further three years under Section 557 of the Act which provides, in part, as follows:—

(a) Any merchandise subject to duty, with the exception of perishable articles and explosive substances other than firecrackers, may be entered for warehousing and be deposited in a bonded warehouse at the expense and risk of the owner, importer, or consignee. Such merchandise may be withdrawn at any time within *three years* from the date of importation for consumption upon payment of the duties and charges accruing thereon at the rate of duty imposed by law upon such merchandise at the date of the withdrawal; or may be withdrawn for exportation or for transportation and exportation

to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Islands, Midway Islands, Kingman Reef, or the Island of Guam, without the payment of duties thereon, or for transportation and rewarehousing at another port or elsewhere, or for transfer to another bonded warehouse at the same port: Provided that the total period of time for which such merchandise may remain in bonded warehouse shall not exceed three years from the date of importation. Merchandise upon which the duties have been paid and which shall have remained continuously in bonded warehouse or otherwise in the custody and under the control of customs officers may be entered or withdrawn at any time within three years after the date of importation for exportation or for transportation and exportation to a foreign country, or for shipment or for transportation and shipment to the Virgin Islands, American Samoa, Wake Islands, Midway Islands, Kingman Reef, or the Island of Guam, under such regulations as the Secretary of the Treasury shall prescribe, and upon such entry or withdrawal, and exportation or shipment, the duties thereon shall be refunded.

(b) The right to withdraw any merchandise entered in accordance with Subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury. So long as any such transfer remains unrevoked the transferee shall have, with respect to the merchandise the subject of the transfer, all rights to file protest and to the privileges provided for in this section and in Sections 562 and 563 of this Act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise, and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond, the transferor shall be relieved from liability for the payment of duties, charges and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond.

TARIFF CHANGES AND TRADE REGULATIONS

South Africa

USE OF AIRGRAPH AND AIR MAIL FOR CUSTOMS DOCUMENTS

Mr. H. L. Brown, Canadian Trade Commissioner at Johannesburg, writes under date April 3, 1943, that the use of airgraph and air-mail services to South Africa effects an appreciable saving in time as compared with surface mail as well as giving a good measure of security. Both airgraph and air-mail letters are usually delivered within an average period of about four weeks. The ordinary postage rate on airgraph letters is 15 cents per sheet, and on airgraph letters to the armed forces it is 6 cents per sheet, while the air-mail rate is 75 cents per half-ounce. Typed airgraph letters can be read quite easily; the use of black ink is essential.

The South African Department of Customs and Excise, in anticipation of standardized documents, is prepared to accept airgraph invoices covering shipments to South Africa. Airgraph invoices should preferably be typewritten and must indicate clearly whether the goods have been sold f.o.b. or c.i.f. If the sale has been on an f.o.b. basis, the airgraph invoice must be accompanied by a further airgraph covering the financial statement, i.e. supplier's invoices enumerating costs (including ocean freight, marine and war-risk insurance), commission, and all other expenses incidental to placing the goods on board ship ready for export to the Union. If the business is on a c.i.f. basis, the airgraph invoice must contain details as to ocean insurance, war-risk insurance and ocean freight.

In either case the airgraph must enumerate all charges Nos. 1 to 5 as follows:—

1. Cartage to rail and/or to docks.
2. Inland freight (rail or canal) and other charges to the dock area, including inland insurance.
3. Labour in packing the goods into outside packages.

4. Value of outside packages.

5. If the goods are subject to any charge by way of royalties, state full particulars of royalties.

In addition it must show any drawback deductions referred to in paragraph 4 of the certificate of value, which reads:—

That the said domestic value includes any duty leviable in respect of the goods before they are delivered for home consumption, and that on exportation a drawback or remission of duty amounting to..... $\frac{\text{has been}}{\text{will be}}$ allowed by the revenue authorities in the country of exportation.

In short, the airgraph invoice must be complete in all respects and must embody all essential details called for in the usual declaration, including essential details of certificates of value and origin. The Department is willing to co-operate fully but does not wish to be involved in any subsequent adjustments of duty.

The South African Import Controller has recognized the use of airgraph for despatching overseas copies of certificates of essentiality covering goods for export to South Africa. The airgraph form must be certified in South Africa by a magistrate, postmaster, collector of customs, controller of materials or a controlling officer of the Department of Commerce and Industries before being handed to the postal authorities for transmission. In accordance with long-standing regulations, a 1-shilling revenue stamp must be affixed to such certified copies by the importer. Naturally the copy will show the priority rating granted to the goods concerned. Importers have been advised to forward the original certificates by mail in confirmation.

INCREASED DUTIES ON SPIRITS AND TOBACCO

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, writes under date February 26, that in the South African budget for the fiscal year beginning April 1, 1943, customs increases are proposed on malt beverages, potable spirits, cigarettes and tobacco. These become effective immediately.

As regards potable spirits, the present rate per imperial gallon is £2 12s. 6d. and the new rate is £4 2s. 6d. On cigarettes the rate per pound is increased from 6s. 6d. to 8s.

Jamaica

BASIS OF DUTY FOR PIECE-GOODS CHANGED

A change was made on May 6 in the basis for computing duties on cotton and rayon piece-goods imported into Jamaica. The Collector General explained that imported cotton piece-goods pay a customs duty under the existing tariff of 10 per cent preferential and 20 per cent general on the landed cost when not exceeding 1s. 6d. per square yard. If the landed cost exceeds 1s. 6d. per square yard, the customs duty is 30 per cent preferential and 45 per cent general rate. A portion of the piece-goods that the amendment is intended to cover ranges from 24 to 27 inches in width. If the c.i.f. value per lineal yard is a little more than 1s., it pays the higher rate. If the basis of assessment is lineal instead of square yards, the piece-goods referred to would get the benefit of a lower rate of duty. Representations were made by importers that, owing to increased manufacturing costs and increased freight and insurance, piece-goods which formerly enjoyed the benefit of the lower customs duty have to pay the higher rate, which placed this type of goods beyond the reach of the poorer classes.

Trinidad

IMPORT CONTROL REGULATIONS MODIFIED

The Trinidad Control Board gave notice on April 9 that applications for licence to import sardines from South America would be considered, and on the

following day that cotton and artificial silk yarns, formerly prohibited importation from all countries, may be imported under licence. It was announced on April 13 that applications for licences to import men's and women's belts from foreign sources would be considered. According to Notices of April 17, April 20 and May 5, applications would also be considered for the importation from the United States of Palm Beach suiting, ink, and men's and women's outerwear except overcoats and pajamas.

United States

IMPORT QUOTA FOR FOX FURS

United States Treasury Decision 50864 of May 13, 1943, declared 33,229 as the number of silver or black foxes valued at less than \$250 each and whole silver or black fox furs in skins (with or without paws, tails, or heads) that may be entered or withdrawn from warehouse for consumption without reference to the country of exportation during the period May 1 to November 30, 1943, inclusive.

Paragraphs 2, 3 and 4 of Article 2 of the supplementary trade agreement between Canada and the United States, signed December 13, 1940, allotted to Canada, for a 12-month period, 70,000 of such silver or black fox fur skins out of a total allowed from all countries of 100,000. Not more than 25 per cent of the yearly quota may be entered, or withdrawn from warehouse, for consumption during any one month. Paragraph 5 of Article 2 provides that any part of the total permitted quantity which has not been entered, or withdrawn from warehouse, for consumption prior to May 1 of each year, may be allowed during the remainder of the quota period without reference to the country of exportation or the 25 per cent monthly limitation. As the Secretary of the United States Treasury, as soon as possible after May 1 of each year, is to make public the number of fox fur units that may be entered under this provision of paragraph 5, the aforementioned Treasury Decision has been published. A year ago the corresponding figure announced was 41,774.

Mexico

METHOD OF PREPARING INVOICES

The Consulate General of Mexico in Montreal has furnished the Department of Trade and Commerce with the following information on regulations as to the manner of preparing invoices covering shipments to Mexico; this information supersedes that published in *Commercial Intelligence Journal* No. 2036 (February 6, 1943), page 118, which stated that Canadian shipments were exempt from an advance customs payment:—

Pursuant to regulations just issued by the Finance Department of Mexico, shippers in Canada are required to present for certification to the Mexican Consulates, as from June 1, 1943, their commercial invoices covering goods sent by express or freight to Mexico.

At the same time an amount of 5 per cent of the net value of the invoice shall be paid to the Mexican Consulates as advance import duty. *This payment is to be made in United States dollars* and will be credited to the importer against the total amount of the import duty fixed by the Mexican custom tariff as may be determined by the Customs House at the Mexican port of entry.

1. Shippers are required to present for certification eight copies of every commercial invoice covering goods sent by express or freight to Mexico. Goods sent by parcel post do not require consular certification.

2. The Mexican Consulates will retain three copies of the commercial invoices. The remaining five copies will be returned to the shipper. The shipper shall provide the Consulate with a self-addressed and stamped envelope for that purpose.

3. Shippers shall send the five certified copies of the commercial invoice to the consignee or to the designated forwarding agent at the port of entry.

4. Commercial invoices are prepared on the shipper's own stationery; but, in addition to the usual data on the invoice, it is required that the name and address of the forwarding agent or customs broker at the Mexican port of entry be noted, and a statement "we declare that the prices given above are true and correct", or words to that effect, duly signed by the shipper or his authorized agent, be inserted at the foot of the invoice.

NOTE.—The 5 per cent Mexican advance import duty on the net value of invoices *shall be paid in United States dollars*, irrespective of the currency in which the goods are invoiced. It is considered convenient that the exporter may show on the invoices, when billed in other currencies, the equivalence in *United States dollars*.

Drafts or postal money orders in payment of the 5 per cent advance import duty, shall be made in favour of the Consulate General of Mexico, Montreal, Quebec.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 24, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 24, 1943, and for the week ending Monday, May 17, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 17	Nominal Quotations in Montreal Week ending May 24	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2775	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

Argentina

J. A. STRONG, Commercial Attaché, Bartolome Mitre 478, Buenos Aires (1). (Territory includes Uruguay.) *Cable address, Canadian.*

Australia

Sydney: K. F. NOBLE, Acting Trade Commissioner. Address for letters—P.O. Box No. 3952V. Office—City Mutual Life Building, Hunter and Bligh Streets. (Territory includes the Australian Capital Territory, New South Wales, Queensland, Northern Territory and Dependencies.) *Cable address, Canadian.*

Melbourne: FREDERICK PALMER, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metrôpole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: G. A. NEWMAN. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: F. W. FRASER, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attaché. Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Panama

M. T. STEWART, Acting Trade Commissioner. Address for letters—P.O. Box 222, Panama City. Office—98 Central Avenue, Panama City. (Territory includes the Canal Zone, Venezuela, Colombia, Nicaragua, Costa Rica, and the Netherlands West Indies.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands.) *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Commercial Intelligence Journal

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TRANSFER OF PANAMA OFFICE TO BOGOTA

Effective June 1, the office of the Canadian Trade Commissioner at Panama, Republic of Panama, is transferred to Bogota, Colombia. As formerly, the territory covered by this office will comprise Colombia, Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica and the Netherlands West Indies. Pending the location of the office in permanent quarters, correspondence should be addressed to the Acting Canadian Trade Commissioner, in care of the Royal Bank of Canada, Bogota, Colombia.

SOUTH AFRICA'S WOOD SUPPLY

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

I. Consumption and Imports

Cape Town, April 14, 1943.—During the five years immediately preceding the war, the average volume of the Union of South Africa's imports of lumber, wood and manufactures thereof was 26,706,581 cubic feet, with a value of £4,027,419. Since the outbreak of hostilities there has been a steady reduction in the transportation facilities available from overseas countries, as a result of which imports have contracted to a small proportion of the pre-war average. The situation has become particularly acute since late in 1941, when the United States entered the war, and, despite a strong demand for defence and ordinary purposes, arrivals of lumber cargoes from abroad have been at a low ebb.

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Consequently added attention has been paid to the country's limited domestic wood supplies and, while these have been of use in helping to supply the most urgent immediate needs, they are unlikely to remain a competitive factor of major importance when conditions return to normal.

According to the "Canada Year Book", out of Canada's total land area of 3,466,556 square miles, 1,220,495 square miles are classified as afforested land; this is roughly 35 per cent of the aggregate. In contrast the Union of South Africa is poor in naturally wooded areas, its indigenous high forests covering approximately 789,000 acres, or somewhat less than one-quarter of 1 per cent of its land surface. This acreage of indigenous high forests (together with the approximate area of 1,285,000 acres of man-made plantations afforested with exotics), consisting roughly of 535,000 acres of wattles, 329,000 acres of coniferous species (particularly pines), 340,000 acres of eucalyptus species, and 77,000 acres of other species, still constitutes less than 1 per cent of the total area of the Union.

As regards the indigenous high forests, scarcely 25 per cent of the total acreage is covered with timber in sufficient quantities to warrant exploitation. In addition most of the species include only limited quantities of hard and heavy timbers and, while these are admirably suited for certain special purposes, they are not adaptable for general use.

The war of 1914-18 first brought home to South Africa the serious situation which could arise if the country were cut off from its regular sources of timber supplies. This stimulated the undertaking of a more vigorous afforestation policy which, while it did not aim at making the country self-supporting, had as its objective the domestic production of a sufficiently large volume of wood to ensure partial self-sufficiency. This afforestation policy was in the main fathered by the State. Private concerns and individuals did not follow the Government's example as actively as had been anticipated, largely because the growing of coniferous trees is a long-term investment that does not hold out great attractions to private individuals, most of whom seek quick profit. Private enterprise developed more along the lines of producing the more lucrative and short rotation timber groups of eucalyptus, the principal outlet for which is the supplying of pit props to the mining industry.

There are about 275,000 acres, apart from government plantations, under eucalyptus. In addition private enterprise went in for the production of the tan wattle, for the tannin bark industry, of which the acreage to-day is estimated at 525,000. The production of these two types of wood progressed to such an extent that a few years ago the Government had to warn growers of these species of the danger of over-production.

While coniferous plantations in the Union are now supplying a certain amount of the country's softwood needs, the present war has found South Africa again in a position where the larger proportion of its man-made plantations are still too young to contribute effectively to the timber demands.

In 1941 local production of coniferous wood amounted to about 50 per cent of the imports, but in 1942, although statistics are not available, the proportion must have been considerably greater.

WOOD CONSUMPTION OF THE UNION

The subjoined notes, compiled by the Professor of Forestry at Stellenbosch University, give an approximate estimate of the volume of wood and lumber consumed in South Africa during normal times. From this it will be noted that the bulk of the wood used, other than mining timber, is imported. There are no complete figures in respect of timber supplied by private growers, but the bulk of this goes to the mining industry, in respect of which there are fairly reliable figures.

A fairly complete estimate of the wood consumed in the Union can be obtained from the figures of: (1) the wood imports into the Union; (2) South African grown wood sold from government reserves; (3) the South African grown timber purchased by the mining industry from the growers of eucalyptus and wattles in particular; (4) other timber from private sources; (5) wood used as fuel from all sources.

WOOD IMPORTS

The value and volume (in cubic feet), where available, of the timber importations into the Union for the five years immediately prior to the outbreak of war, are shown hereunder:—

South African Imports of Timber

	Wood Unmanufactured and Partly Manufactured		Total Cubic Feet	Wood Manufactured £	Total Value All Wood Imports £
	Softwoods Cubic Feet	Hardwoods Cubic Feet			
1935	20,630,239	3,069,056	23,699,295	1,161,258	3,115,368
1936	25,100,263	4,099,000	29,199,263	1,473,187	4,017,237
1937	28,204,992	4,729,356	32,934,348	1,894,037	5,204,489
1938	19,300,000	3,500,000	22,800,000	1,667,000	3,900,000
1939	21,000,000	3,900,000	24,900,000	1,536,000	3,900,000
Average	22,847,099	3,859,482	26,706,581	1,546,296	4,027,419

The foregoing table emphasizes the importance of softwoods in the Union's timber requirements and, as shown under the heading "unmanufactured and partly manufactured," they include pine, pitch pine, Douglas fir, spruce and other coniferous timbers, which for the period 1935-39 had an annual average value of £1,421,400. Also classified as unmanufactured and partly manufactured is flooring and ceiling and other planed, tongued and grooved material, which represents an annual average value of £375,000, of which approximately 60 per cent is of softwood origin, the rest being hardwood.

Of the unmanufactured and partly manufactured hardwoods, the average annual imports for the period 1935-39 of teak are 1,132,450 cubic feet valued at £299,593; of karri and jarrah, 407,204 cubic feet valued at £57,053; and of oak, 346,308 cubic feet valued at £48,702. Hardwoods of other types represent a volume of approximately 1,830,981 cubic feet and a value of £202,450. Under wood manufactures the average annual value figures for the period 1935-39 of the more important items are as follows: furniture, £129,000; railway sleepers, £217,000; boxes, cases and crates, £473,000; plywood and veneers, £133,000; brushes, casks, bungs, staves and handles, £276,000; other non-specified manufactures, £190,000.

It is difficult to say with accuracy how much of the wood manufactures are of softwood origin, but an estimate of 40 to 50 per cent is not wide of the mark.

ORIGIN OF IMPORTS

Average annual figures for the period 1935-39 show that the principal countries of origin of South Africa's timber importations have been as sub-joined:—

South African Timber Imports by Principal Countries

Australia—	
Karri and jarrah and other hardwoods	£ 73,839
Railway sleepers	68,501
	£141,340
Brazil	
Unmanufactured hardwoods	11,257
China	
Furniture, plywood and veneer woodwork for building purposes	4,575

South African Timber Imports by Principal Countries—Con.

Finland—	
Unmanufactured softwoods	£376,768
Partly manufactured building timber (softwood)	163,911
Boxes and crates	112,058
Plywoods and veneers	4,407
Furniture	5,987
Other timber	13,958
	£677,089
France—	
Wood and wood manufactures	24,500
India (Burma)—	
Teak, unmanufactured	89,598
Japan—	
Plywoods and veneers	29,000
Other wood products	42,864
	£ 71,864
Canada—	
Unmanufactured softwoods	197,484
Partly manufactured softwoods	26,000
Pulpwood	13,000
Other wood manufactures	36,722
	£273,206
Netherlands Indies—	
Railway sleepers	1,919
Northern Rhodesia—	
Railway sleepers	60,901
Hardwoods, cork and wood manufactures	29,776
	£ 90,677
Southern Rhodesia—	
Railway sleepers	82,290
Hardwood building material	20,773
	£103,063
Portuguese East Africa—	
Railway sleepers	17,685
Unmanufactured hardwoods	12,674
	£ 30,359
Russia—	
Unmanufactured softwood	222,000
Wood manufactures	25,978
	£247,978
Poland—	
Plywood and veneer	16,000
Norway—	
Boxes, crates and shooks	48,249
Wood manufactures	32,667
	£ 80,916
Sweden—	
Unmanufactured and partly manufactured softwoods	163,162
Boxes, crates and shooks	256,713
Other wood manufactures	56,215
	£476,090
United Kingdom—	
Manufactured furniture	57,000
Other wood manufactures	44,000
	£101,000
United States—	
Unmanufactured softwoods	375,000
Unmanufactured hardwoods (oak)	24,000
Partly manufactured softwoods	86,000
Other manufactured and partly manufactured timber	18,493
Pulpboards	50,000
Boxes, crates and shooks	22,000
Plywood and veneers	21,000
Other wood manufactures	164,374
	£760,867

Czechoslovakia—	
Manufactured furniture	£ 16,000
Thailand (Siam)—	
Unmanufactured (teak)	170,000
Other countries—	
All kinds	649,235

Following is a recapitulation of the foregoing figures on the basis of origin by continents:—

Europe—		
Finland	£677,089	
France	24,500	
Russia	247,978	
Poland	16,000	
Norway	80,916	
Sweden	476,090	
Czechoslovakia	16,000	
United Kingdom	101,000	
		£1,639,573
North America—		
Canada	£273,206	
United States	760,867	
		1,034,073
Asia and Far East—		
Japan	£ 71,864	
China	4,575	
India (Burma)	89,598	
Thailand	170,000	
Netherlands Indies	1,919	
		337,956
Australia	£141,340	
		141,340
South America—		
Brazil	£ 11,257	
		11,257
Africa—		
Northern Rhodesia	£ 90,677	
Southern Rhodesia	103,063	
Portuguese East Africa	30,359	
		224,099
Other countries—		
Not specified according to continent	£649,235	
		649,235

This summary of the geographical distribution of the origins of wood supplies shows clearly how the war is affecting South Africa from a supply standpoint. Europe, except the United Kingdom and Russia, is under enemy control. Most of the wood products exported by the United Kingdom to South Africa are manufactured items made from imported raw material that cannot be obtained to-day owing to the need of utilizing shipping for more urgent needs.

In Asia and the Far East only India remains open, and here again the possibility of obtaining timber depends upon the availability of shipping.

The United States, Canada, Australia, Brazil, and the African territories are still open as sources of supply, but with all these countries transportation is the big problem.

The most serious dislocation was the loss of the European sources of supply, which were important as the origin of the bulk of the country's softwood needs. Softwoods, which are very necessary, can now be obtained from the United States, Canada and Brazil only, and the shipping problem must be solved before supplies can be made available.

DOMESTIC PRODUCTION FROM GOVERNMENT RESERVES

The volume of wood produced by state plantations and indigenous forests and sold as saw timber logs, poles, fencing posts and firewood is as follows, figures being expressed in cubic feet in the round:—

	Cu. Ft.		Cu. Ft.
1935-36	8,901,000	1939-40	11,000,085
1936-37	9,094,000	1940-41	13,964,834
1937-38	9,447,000	1941-42	17,188,000
1938-39	9,715,362		

The foregoing table indicates how the war has almost doubled the output of material from government plantations. The figure for 1941-42, being the most up to date, is of the greatest interest; it represents 421,692 cubic feet from the indigenous natural forests and 16,766,308 cubic feet from the plantations.

Of the 421,692 cubic feet yielded by the indigenous forests, only 198,983 cubic feet were classified as sawlogs, the remainder being mostly poles and firewood. These figures serve to indicate what a small part the indigenous forests play in timber production.

The plantations yielded 16,766,308 cubic feet of wood, of which 10,000,000 cubic feet, or 60 per cent, represented softwood sawlogs over 5 inches in diameter, the remainder being hardwood sawlogs and poles, and firewood of all kinds. It is estimated that 3,000,000 cubic feet represented firewood.

The annual value of the output of state plantations since the beginning of the war has been as follows: 1938-39, 8,989,619 cubic feet (£117,828); 1939-40, 10,434,393 cubic feet (£127,220); 1940-41, 13,512,836 cubic feet (£198,120).

CONSUMPTION BY MINING INDUSTRY

As already stated, the mining industry is the largest single consumer of timber in the Union. The timber so utilized is partly imported and already accounted for, but is again referred to in order to show its relationship to the total quantity of wood used by the mining industry. Baltic deals and Douglas fir and pitch pine are the imported timbers, whereas poles, laggings and pack mats are made from South African grown timbers, of which the great bulk is supplied from wattle and eucalyptus plantations. In order to show the importance of timber generally, and of South African grown timber in particular, the following statement covering the relative cost of the timber used in the industry in four yearly periods is of interest; it indicates that, instead of substitutes replacing timber the reverse is the case, and over the past fifteen years the percentage value of timber, based on total stores consumed, has steadily risen:—

Timber Consumption by Mining Industry

	Total Stores Consumed £	Total Timber Consumed £	Per Cent of Total Value	Total Poles and Laggings £	Per Cent of Total Value	Percentage Increase of S.A. Grown Timber Consumption
1925..	13,600,000	1,000,000	7	600,000	4	100
1930..	15,000,000	1,100,000	7	630,000	4	105
1935..	25,000,000	2,100,000	8	1,070,000	4	178
1940..	32,000,000	3,200,000	10	2,040,000	6	340

The percentage increase in South African grown timber consumption, as shown in the foregoing table, is noteworthy. The corresponding increase in imported timbers from 1925 to 1940 is 225 per cent. Gold production rose from 9,562,117 fine ounces in 1925 to 12,819,344 fine ounces at the end of 1939.

It is estimated that of the total shown above for poles and lagging, approximately 6 per cent was supplied by state plantations and the remainder from private sources, the latter representing an approximate total of 36,000,000 cubic feet, of which, roughly, 60 per cent is eucalyptus timber and 40 per cent wattle.

The foregoing figures and remarks indicate how indebted the mining industry is to forestry for supplying it with such a vital necessity, namely wood; and, conversely of course, how mining has encouraged afforestation.

No figures are available of the yields from private plantations other than quantities supplied to the mining industry. It is estimated, however, that these sources were responsible for approximately 3,000,000 cubic feet of saw timber and 1,000,000 cubic feet for other purposes.

WOOD USED AS FUEL

As already stated, approximately 3,000,000 cubic feet of wood were sold for firewood from the state forests and plantations last year. Private sources, it is estimated, supplied an additional 12,000,000 cubic feet, making a rough total of approximately 15,000,000 as the country's firewood requirements.

SAWMILLS IN THE UNION

Before locally grown timber reaches the consumer it has to be fabricated, and thus sawmilling and manufacturing plants are necessary. Up to almost the outbreak of war private enterprise was slow in handling the timber from plantations on a scale large enough to cope with output, consequently millions of cubic feet of logs were waiting to be utilized. In order to prevent loss, the State had to give a lead to private enterprise by establishing additional state sawmills. At present the state has twelve or thirteen mills in operation in different parts of the Union with an annual capacity of over 4,000,000 cubic feet of logs. Another is being established that will deal mainly with the sawing and manufacturing of hardwoods.

Concurrently, stimulated by the example and experience of the state undertakings, the number of privately owned sawmills has increased. In 1938 there were only about a dozen plants in various parts of the country; to-day, also largely due to the great demand for timber as a result of the war, privately owned establishments have increased to well over one hundred. The majority of these are small and cater for the retail market in their immediate vicinity only, but a few are large and produce agricultural and industrial boxes and building timber on a wholesale basis. The total capacity of these mills is not yet known, but may be estimated from the fact that for the fiscal year 1941-42 thirty-one of them absorbed about 6,500,000 cubic feet of the 10,000,000 cubic feet of sawlogs from state plantations; for the preceding year their consumption was undoubtedly greater.

MANPOWER REGULATIONS IN NEW ZEALAND

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, April 16, 1943.—To date no rigid formula or policy has been followed in New Zealand to deal with the many problems of manpower arising from the depletion of labour caused by the call-up of men and women for the armed forces. These problems have been and are being met as they arise and are resolved for the most part by expedient measures authorized under the broad provisions of the "Industrial Man Power Emergency Regulations" enacted in October, 1942. This authority is being administered by the National Service Department through its manpower committees located throughout the Dominion. The committees have the power to direct the activities of men and women in the best interests of New Zealand's war effort; they often work in close co-operation with the Service Appeal Boards.

At present, out of a total population of just over 1,500,000 people, 160,000 men are in the armed forces in New Zealand and overseas. This figure represents a high percentage of the available manpower and takes no account of the large number of women now serving or of the thousands of men and women doing part-time service in such organizations as the Home Guard, Emergency Fire Service, Emergency Precautions Scheme, Coast Watches, etc. Such a substantial withdrawal of men and women from civilian pursuits at this time last year, when New Zealand was threatened with invasion and air raids, was considered necessary in the circumstances. But now that the situation in the

South Pacific has become more stabilized and the danger to New Zealand is more remote, it is generally conceded that the country's commitments, particularly in men for the army, is somewhat out of proportion to the point where primary production levels and the maintenance of minimum war economy is being seriously affected. The growing importance of this country as a food supplier to the expanding forces of the United Nations in the Pacific demands the fullest development of its resources, and the solution to the problem lies in more manpower, particularly for primary production.

In July, 1942, an important step was taken, when all farm workers were pegged and arrangements were put into effect to recall temporarily some 8,000 men from the army for farm duty. During the year many industries and undertakings were declared essential, and the manpower in them was placed under control. Additions are being made to the list of such industries from time to time, and the number now includes private undertakings too numerous to mention. Among them are the following: engineering, including motor garages, foundries; footwear; restaurants and hotels (excepting staff dealing with liquors); tanneries; bakeries; shipbuilding; cheese and butter factories; saw-mills; building materials, wallboard, etc.; tramways; clothing factories; woollen mills; slaughter-houses and freezing works; tin and carton manufacturers; Colonial Ammunition Company; shipping companies; bacon factories and margarine; box makers; fertilizer manufacturers; brass and copper smiths; Kodak Ltd.; Korma Mills (stockings); undertakers; hospitals; tent- and cover-makers, sailmakers; machinery merchants; Reid Rubber Company; wool stores; canning (fruit, vegetables, fish, meat); biscuit-makers; brush-makers; coal mining.

As previously mentioned, the manpower committees direct the services of all manpower in industry; it is estimated that over half a million people come under their direct control. In general the policies being followed are the gradual elimination of non-essential production, the concentration of industry, and the standardization of products. So far the transfer of workers thus effected—about 6,000—has met the demand. Extensive surveys are nearing completion that are expected to provide information leading to a more profitable use of available man and woman power. It is likely to involve the release of many more men from the army and of a certain proportion of men now in civilian occupation for service in the air force or navy.

INDUSTRIAL MAN POWER EMERGENCY REGULATIONS, 1942

The foregoing regulations provide the authority and indicate the methods by which the manpower committees deal with the situation. They are designed for the protection of essential production, not for the advantage of individuals, whether employers or employees. "They are to be administered with temperateness and discretion", stated the Minister of Manpower, "and will not unduly affect the good worker or the good employer. The penalties are designed for the malingerer and the defaulter. It is my intention that such a person should be dealt with firmly; on the other hand, where any individual shows a genuine desire to meet his difficulties squarely, these regulations will be so administered as to give him every possible assistance and co-operation. Although regulations are necessary to secure uniformity of practice and in order to harness and co-ordinate the war effort, it is to co-operation that we must look for good results."

Employment in an essential industry may not be terminated until the written permission of the District Manpower Officer has been obtained. The

previous provision that a worker could be dismissed without permission in the event of serious misconduct has been amended to provide for his suspension. The District Manpower Officer, who must be notified within twenty-four hours, will decide whether the worker is to be dismissed or reinstated. When a person is reinstated, he may, with the permission of the District Manpower Officer, be transferred to a different job. Other transfers, if for longer than a month or if not involving higher pay, also require the consent of the District Manpower Officer if the ordinary work has been abolished, is temporarily unavailable, or if there is work of greater urgency. During such a transfer, the worker must be paid at the time rate for his usual or temporary work, whichever is higher. A permanent transfer at a lower rate of pay may be authorized if the usual work has been abolished.

Where, because of a strike, work is not available, a worker is not entitled to the minimum weekly wage, but he is allowed to leave his job. To safeguard workers it is provided that their usual wages may not be reduced when an industry is declared to be essential. With regard to the question of absenteeism, deductions from pay may now be authorized for persistent early leaving as well as for persistent lateness.

Employers are made responsible for ensuring that no worker is employed unless he has complied with the registration order, has not left another essential industry without the written permission of the District Manpower Officer, or been directed by him to other employment. Up to the present, registration orders apply to male British subjects from 46 to 59 years of age, inclusive; male aliens from 18 to 59 years; and women, including aliens, from 20 to 30 years, inclusive, except married women with young children; and specified classes such as timber, building, metal, and engineering workers. The onus is on the employer to report any worker who has not registered. Proceedings are to be taken against any worker who has not registered by November 7.

Employers in essential industries must notify the District Manpower Officer of the names and addresses of all new workers. They are relieved of the responsibility, however, of ascertaining whether a man is a member of a trade union before engaging him. Now all workers in essential industries are to be considered members of an appropriate trade union, and notifications to the manpower officers of names of new workers will be accessible to trade union secretaries. If a worker does not pay his trade union membership fee after reasonable requests, it may be deducted from his pay. The notification of new workers in essential industry, the Minister stated, will also be useful in the co-ordination of the transfer of labour to essential work with that from such work and to non-essential work.

A worker who applies for exemption from essential work or for permission to change or leave his work may be examined by one or more medical practitioners selected by the Minister or by the Controller of Industrial Manpower. Manpower Officers are given power to enter premises, interview persons and inspect books. Both employers and employees must be notified of the decisions of Manpower Officers, and both have the right of appeal.

It is an offence for any employer or fellow-worker to attempt in any direct or indirect way to victimize or abuse a worker so that he will be dissuaded from making an appeal or be deprived of any benefits of an appeal, or will want to leave his work.

AUSTRALIAN TRADE AND ECONOMIC NOTES

K. F. NOBLE, ACTING TRADE COMMISSIONER

Expansion of Dried Mutton Production

Sydney, April 5, 1943.—It was announced by the Minister for Commerce, that a vast expansion of mutton-drying activities is planned in Australia. Twelve new plants have already been approved for the States of New South Wales, Victoria and Queensland. Plants are now operating at central killing establishments and at all large country killing works in New South Wales.

Flax Crops

Harvesting has just been completed in the northern section of New South Wales of this season's flax crops, which covered over 2,000 acres, a substantial increase as compared with last year's acreage. The season has been favourable, and yields average $1\frac{1}{2}$ ton per acre. The crops are remarkably free from disease and are clean, well grown and have a good length of fibre. In some instances yields of up to 8 tons per acre were obtained.

It is anticipated that, if improved methods of harvesting prove successful and the cost of production is thus reduced, the culture of flax will remain an established Australian industry in the post-war period. Fire hoses made from Australian flax are being used by fire brigades and by the Services and have proved the equal of those formerly made from imported Russian flax.

Increase in Cost of Living

Rents and prices of food, groceries and clothing in Australia increased by an average of 1.4 per cent in the six capital cities and 30 principal towns and cities during the quarter ended December, 1942. This represents a smaller increase than for any of the previous four quarters and indicates a slackening of the tendency toward increased costs. The average increase in rents since the outbreak of war is less than 1 per cent. The increase in landed costs of imported goods is about 77 per cent and in export prices 30 per cent. The increase in the cost of clothing since the outbreak of war is, on the average, approximately 65 per cent.

Royal Commission's Report on the Sugar Industry

The report of the Royal Commission on the Sugar Industry, which is concerned chiefly with limitations of manpower as against the Commonwealth sugar objective, has been presented. It recommends that the industry be supplied with sufficient harvesting labour to enable each existing mill, without closure of any, to work at 75 per cent of its maximum average weekly crushing rate; that a harvesting committee be formed in each mill area to approve the number of cutters in each gang; that labour be not allowed to change from contract to contract without a permit from the Deputy Director of Manpower; that power be given to the harvesting committee to move a gang from one farm to another, subject to certain limitations; that power be given the Deputy Director of Manpower, if the mill has completed its crushing before another, to move cutters to another mill area.

The report sets out that the crop is sufficient to produce from 587,000 to 617,000 tons if the mills operate to 75 per cent of capacity. The loss will be only 8,000 to 9,000 tons but, if labour shortage results in the mills working only two-thirds capacity, the loss of sugar will be 22,000 to 24,000 tons.

Stabilization of Meat Prices

For the first time on record reasonable prices will be guaranteed to pig farmers under the Commonwealth Government's pig-meat plan, it was stated recently by the Commonwealth Prices Commissioner.

Owing to substantial increases in the prices of various kinds of meats, it became necessary to protect consumers against exorbitant charges, while at the same time it was not desired that producers should fail to share in the benefits of increased demand. The new scheme will undoubtedly be of benefit to the producer in the long run, as it contains a guarantee of payment of a fixed price for all meats and rigid control of the margins for slaughtering and retailing. In the case of pig meats, producers have been guaranteed 8½d. per pound for best-quality pork, with prices ranging downward for inferior qualities. This price had been guaranteed for a year, with the promise that a further year's guarantee would be considered at an early date. The methods adopted in connection with pig meats will also apply to beef, mutton and lamb.

Production of Shale Oil and Coal

It has been announced that United States interests have undertaken to spend from £3,000,000 to £5,000,000 on the exploitation of shale deposits in New South Wales. Most of the money will be spent in the Glen Davis district.

The Minister for Supply and Shipping has stated that in 1942 the Commonwealth produced 14,971,893 tons of coal, the greatest output in any year of the war. Production in 1939 was 13,535,142 tons decreasing to 11,716,682 tons in 1940 and increasing to 14,212,450 tons in 1941.

Sheep and Cattle

During the past ten or twelve years the tendency in New South Wales has been for numbers of cattle to decrease and for those of sheep to increase. In 1942 the total number of sheep was 56,737,000, while cattle numbered 3,482,831.

In the northern highland districts of New South Wales, cattle were originally, and almost exclusively, pastured, but latterly cattle have decreased and sheep have increased in number. Other parts of the State have shown a similar trend. It is likely that this position will alter owing to the exigencies of the manpower situation, since sheep require a great deal more attention than cattle.

Increase in Excise Revenue

Increased excise duties on tobacco and cigarettes have more than offset lower Australian customs returns resulting from the reduction in imports during wartime. Total customs and excise revenue for the half year ended December 31, 1942, was £33,049,649 as compared with £29,240,704 for the same period of the previous year. Excise revenue rose by £5,729,717 as against a drop in customs receipts of £2,120,771.

Australian Expenditure under Lease-Lend

The Federal Treasurer stated that total reciprocal expenditure by Australia under lease-lend up to December 31, 1942, amounted to £27,545,000. Of this sum, £6,548,000 was incurred in the financial year 1941-42, while total estimated expenditure to the end of the current financial year was £61,000,000.

Following are some of the foods supplied to United States forces as reciprocal aid by Australia in 1942: beef and veal, 15,370,027 lbs.; lamb and mutton, 3,247,000 lbs.; pork, including ham and bacon, 8,310,628 lbs.; other meats,

40,334 lbs.; canned meat, 3,630,124 lbs.; fresh potatoes, 20,030,992 lbs.; other vegetables and fruit, 25,337,328 lbs.; dried fruits, 1,529,988 lbs.; dried vegetables, 1,250,982 lbs.; canned fruit, 4,443,140 lbs.; canned vegetables, 1,106,554 lbs.; eggs, 1,800,000 dozen; cheese, 2,230,746 lbs.; milk, 1,366,029 gallons; butter, 3,944,777 lbs.; various canned goods, 11,510,982 lbs.; bread, cake and biscuits, 22,956,397 lbs.; sugar, 6,504,239 lbs.; wheat products and other cereals, 6,984,827 lbs., emergency rations, 15,646,400 lbs.

National Expenditure

National expenditure for the eight months ended February 28 totalled £440,652,000. Of this total, war expenditure of £297,255,000 was derived from loans and £62,717,000 was obtained from consolidated revenue. Interest, sinking fund, and exchange (excluding wartime costs) was £11,757,000; invalid and old-age pensions, £14,421,000; and income tax reimbursements to states, £7,279,000. Receipts included: excise duty, \$28,911,000; sales tax, £19,284,000; income tax, £45,521,000; Post Office, £15,655,000; and customs, £14,707,000. Total revenue amounted to £143,297,000.

Commonwealth Public Debt

The combined public debt of the Commonwealth and states on December 31 last totalled £1,833,945,459. This was £116,598,955 higher than on September 30 last. The rise was almost entirely due to expenditure on the present war. The total debt represents £255 12s. 7d. per head of the population.

Of the Commonwealth debt, the sum of £732,355,582 is due in Australia, £173,503,477 in London, and £15,876,718 in New York. On June 30, 1939, the total debt was £1,295,022,972, or £538,922,487 less than the present figure.

NEWFOUNDLAND BUDGET, 1943-44

R. P. BOWER, ACTING TRADE COMMISSIONER

St. John's, May 11, 1943.—The Newfoundland budget for the fiscal year 1943-44 was the subject of a radio speech by the Commissioner of Finance on April 27, 1943. In presenting his budget, the Commissioner dealt first with the results achieved in the preceding fiscal period and, secondly, with the current period.

1942-43 RESULTS

The fiscal period 1942-43 was of nine months' duration, the result of a decision to have the fiscal year terminate on March 31 instead of June 30 as formerly. Consequently all figures are for the period from July 1, 1942, to March 31, 1943. Estimated revenue for this period was \$13,647,400 as compared with receipts of \$19,514,448. Expenditures, which were estimated at \$14,654,070, amounted to \$15,832,800 leaving an excess of revenue over expenditure of \$3,681,650.

REVENUE

Of the \$19,514,448 shown as revenue for the period, \$14,462,549 or 71 per cent, came from customs and excise taxes. Since the bulk of the customs duties in Newfoundland are on an ad valorem basis, any increase in f.o.b. prices results in higher revenue from duties. The higher figures are as much a reflection of this condition as they are of a greater volume of imports.

Revenue collected by the Assessor in the nine months' period amounted to \$2,552,000, of which \$2,271,000 represents the yield from income tax and excess profits tax and from the withholding tax, which is levied on dividends

and interest paid outside Newfoundland, while \$274,100 was collected in death duties.

For the same period, revenue from Posts and Telegraphs amounted to \$1,077,000 exceeding the estimates by \$251,000, while that from the Board of Liquor Control amounted to \$758,020 as compared with estimates of \$532,500.

EXPENDITURES

Expenditures for the nine months' period amounted to \$15,832,800, an increase of \$3,033,900 over estimates and only about \$200,000 less than expenditures for the full year ending June 30, 1942. Nearly all departments contributed to the increased expenditures. The cost-of-living bonus paid to civil servants was an unexpected charge on all departments, while increased staffs had to be engaged in certain cases to take care of additional work brought about by the war, as for example, price control and rationing. Larger sums were required to implement the Government's compulsory education policy, to provide for a war bonus to teachers, and for the erection of new schools. The Department of Defence spent \$1,625,700 as compared with estimates of \$717,900. Of this increase, \$56,000 was accounted for by higher allowances paid to married members of the Newfoundland regiment, and by an increase in the size of the force. Larger numbers in the force were chiefly responsible for an increase of \$86,700 in the amount required for clothing, provisions and other supplies. Supplementary allowances for the families of men serving overseas in the British army, navy and air force required \$27,700 in excess of estimates, while \$655,000 more was needed for the deferred pay of the men themselves.

Increased expenses by the Department of Natural Resources consisted chiefly of \$385,000 required to finance the purchase of salt on government account. This sum, however, should be recoverable later through the sale of the salt to fishermen and through a levy on exports of salt fish.

Estimated expenditures by the Department of Public Works were \$1,672,600 as compared with \$2,422,679 actually spent. A large share of the increase can be directly attributed to wartime requirements, including expenditures for improvement of harbour and ship repair facilities, erection of hostels for service men and merchant seamen, and national registration.

The Newfoundland Government Railway required advances totalling \$925,000 to meet the needs of its greatly expanded activities. While gross revenues were satisfactory, higher operating costs, including increased wages, resulted in a somewhat lower surplus than for the corresponding period of the preceding year.

SURPLUS

For the nine months ended March 31, 1943, revenue exceeded expenditure by \$3,681,600 which is somewhat less in proportion than the \$7,000,000 realized in the preceding twelve months. The surplus accumulated during the last three financial years amounted to \$11,263,000, of which \$6,500,000 has been made available as interest-free loans to the United Kingdom; these loans are repayable on demand.

CURRENT FISCAL YEAR

EXPENDITURES

Estimated expenditures for the current fiscal year at \$20,513,200 are the highest ever recorded and an increase of \$2,800,000 over the figure for the preceding twelve-month period. A considerable part of the increase is for the continuation of new services undertaken during the course of last year, and for the salaries of additional staff for contemplated expansions and the payment of war bonuses to civil servants and teachers. Under the heading "debt

services", provision has been made for interest and contribution to sinking fund in respect of the Victory Loan of \$1,500,000, raised in November, 1942, for the purpose of redeeming a 5 per cent sterling loan. A further instalment of \$100,000 has been allotted to provide for redemption of the first \$500,000 of war savings certificates, which were transferred to the Government of the United Kingdom as a free gift for the purchase of aircraft required to equip the Newfoundland squadron.

A sum of \$42,500 has been allotted to meet the expense of outfitting and maintaining shipwrecked crews that reach Newfoundland ports.

The estimated expenses for the Department of Education amount to \$2,178,000 as compared with expenditures of \$1,900,000 in the preceding nine-month period. This total includes additional grants of \$52,700 to the Board of Education and \$150,000 for the erection of schools and the purchase of new equipment.

The Department of Defence has asked for \$1,706,000 as compared with expenses for the nine months ended March 31, 1943, of \$1,625,700. An additional \$180,000 is required to meet the cost of the Newfoundland regiment. Deferred pay and supplementary family allowances of men serving overseas amounts to \$640,000. The total cost of war services now exceeds \$2,743,000 gross, with recoveries estimated at \$400,000.

The Department of Natural Resources estimates expenditure at \$2,384,000 as compared with \$1,604,578 spent in the preceding nine-month period. An increase of \$50,000 is provided for payment to the Salt Cod Fish Marketing Fund, but this sum is balanced by increased revenue of the same amount from the proceeds of the levy on salt codfish through the Department of Customs. A sum of \$600,000 is provided for the construction of ten wooden motor vessels of approximately 300 tons each, which are being built to relieve the shipping shortage and to provide cargo space for Newfoundland produce in the post-war period. The sum of \$500,000 was allocated for this purpose last year but, due to the difficulties in obtaining materials, a considerable portion of this amount was not spent.

Estimated expenditures by the Department of Public Works at \$3,472,400 represent an increase of \$729,000 over estimated expenditures for the twelve months ending June 30, 1943. This increase takes care of maintenance, improvement and reconstruction of roads and bridges, of which \$1,100,000 is to be spent in the current year. A total of \$252,000 has been allotted for the construction of new buildings, which is in addition to \$278,000 for the completion of a wing to the General Hospital; \$115,000 is provided for the purchase of a derrick scow to handle heavy lifts in the harbour, while \$300,000 has been contributed towards the purchase of a necessary site for the construction of a marine railway being installed by the Canadian Government to relieve the strain on the government dockyard.

Estimated expenditure by the Department of Public Health and Welfare amounts to \$3,445,000 as compared with \$2,368,600 actually spent in the nine months' period of the preceding fiscal year. While reductions are anticipated in expenditures for aid to indigent, unemployable and sick persons, an extra \$82,000 is required for allowances to widows, orphans and infirm persons and for old-age pensions in conformity with increases announced early in the year. The most important change under this heading, however, concerns an increase in the imperial pensions to service men. For some time it has been felt that these pensions, which were based on United Kingdom rates, were unfair to disabled men or to the dependents of men who have died while serving with the imperial forces because of the exceptional conditions applying in this country, including the high cost of living. In view of the uncertainty of future revenues, the Government considered it prudent to supplement existing allowances, for the time being only, by an increase of 30 per cent of United Kingdom rates in

respect of men who have served in imperial forces or in the mercantile marine, provided the recipients continue to live in Newfoundland. The award is to be subject to review in the light of conditions at the end of the war.

The budget speech also suggests that the estates of men who have died during active service in the present war be exempt from the payment of death and stamp duties and that any such duties already paid be refunded.

ESTIMATED REVENUE

Total revenues from all sources are estimated at \$22,179,400 as compared with revenues for the nine months ending March 31, 1943, of \$19,514,448. This figure contemplates a somewhat lower monthly intake than was recorded in the twelve-month period immediately preceding. The estimate of lower returns is based largely on an expected reduction in customs revenues, partly on account of the removal of the war revenue tax on certain essentials and partly the result of lower collections through the failure to obtain stocks from exporting countries. It is also felt that the long-term policy of the country should be to reduce the tariff as much as possible so as to bring down the high cost of living. To compensate for loss of revenue consequent on this policy, it is suggested that there be an increase in the proportion of revenue raised by other means. In implementing this policy, the Government is continuing to admit barrelled beef, pork and canned meats, admissible under tariff items 38, 39 and 44, free of duty and war revenue tax until further notice and to compensate for the loss of revenue through an increase in direct taxation.

The Commissioner for Finance referred to this change in direct taxation in a radio announcement on March 2, which outlined certain increases in the rates of income tax and excess profits tax. The announcement did not indicate any inclination to adopt the "pay as you go" plan or any modification of it, and the increased rates payable in 1943 are to be determined by the amount of earnings in 1942. It was estimated that the suspension of the war revenue tax as it applied to certain imported items would reduce revenue from that source by approximately \$900,000 per annum, and the adjustments under the income tax and excess profit tax are expected to yield an additional \$740,000 in the current fiscal year, which will afford some measure of compensation.

The new direct taxation provides for an increase in the present rate of surtax, which is applicable to both income tax and super tax, from 30 per cent to 50 per cent. Normal tax is payable on the first \$6,000 of income (less certain statutory deductions) at the rate of 6 per cent and on all incomes in excess of \$6,000 at the rate of 12 per cent. Including the 30 per cent surtax, the effective rates at the old level, excluding allowance for cash discount, were 7·8 per cent on income up to \$6,000 and 15·6 per cent on income in excess of that amount. The increase in the rate of surtax from 30 to 50 per cent will bring the effective rates of normal tax up to 9 per cent and 18 per cent respectively. There is a further tax, called super tax, which is payable in addition to normal tax on personal income in excess of \$6,000. This super tax has also been raised so that, including surtax, the effective rates of super tax from now on are as follows:—

Super Tax Rates

On the first \$2,000 of income over \$6,000	3 per cent
On the next \$2,000	9 per cent
On the next \$10,000	18 per cent
On the next \$10,000	36 per cent
On the next \$10,000	45 per cent
On the next \$10,000 i.e. on the last \$10,000 of an income of \$50,000	52½ per cent

On income over \$50,000 and under \$100,000 the rate of tax will be 60 per cent, and on income over \$100,000 it will be 67½ per cent.

In the past, excess profits tax was payable at the rate of 25 per cent on the excess profits of corporations, with an overriding maximum in respect of income and excess profits taxes combined of $32\frac{1}{2}$ per cent of total profits.

Under the new schedule the rate of excess profit tax is to be increased to 50 per cent, except that it will remain at the existing rate of 25 per cent on the first \$5,000 of excess profits. The result is that the overriding rate on total profits will be raised from $32\frac{1}{2}$ to $42\frac{1}{2}$ per cent.

The following table serves to exemplify the taxes that a married man without children would pay in Newfoundland under the present income tax schedule. Assuming that no allowance has been made for certain statutory deductions that may be claimed in some cases but allowing for discount for prompt payment, the following rates apply:—

Tax Rates for Married Man without Dependents

Income	Tax	Increase
\$ 3,000	\$ 85.50	\$ 11.40
5,000	256.50	34.00
7,000	541.50	72.00
10,000	1,254.00	217.00
20,000	4,674.00	1,167.00

The Commissioner for Finance, in his address on March 2, stated that the idea of compulsory savings for Newfoundland was being rejected because of the rather uncertain employment outlook and the fact that only a limited number of people could possibly be affected by it; in addition, bank deposits and sales of war savings certificates during 1942 were considered to be very satisfactory.

Receipts from customs and excise are estimated at \$14,176,500 as compared with receipts in the nine-month period immediately preceding of \$14,462,549. This decline is anticipated because of the suspension of certain duties already referred to and on account of the expected difficulties in obtaining import from abroad.

Revenue from the Department of Posts and Telegraphs for the current fiscal year is estimated at \$1,343,000. This is a slight increase over the receipts during the preceding nine months' period, largely accounted for by \$150,000 to be collected from the Canadian Government in payment for services rendered on its behalf.

The Commissioner announced a reduction in the air mail rates from 9 cents to 7 cents for the first half-ounce for letters addressed to Canada and the United States and a reduction from 35 cents to 30 cents for the first half-ounce in the case of letters addressed to the United Kingdom.

Revenue from the Board of Liquor Control is estimated at \$700,000, which is a slight reduction from the receipts for the preceding nine-month period. The decline is anticipated because of difficulties in obtaining stocks.

SURPLUS

The estimated surplus for the current fiscal year is \$1,666,200, which is not half the amount of the surplus recorded for the last nine months.

The Commissioner concluded his address with an appeal to Newfoundlanders to save to the utmost. In the absence of compulsory savings and heavy loans for military purposes, the spending power of the people of Newfoundland continues to be abnormally high. It is this spending power, coupled with a shortage of consumer goods, that has led to the current inflationary conditions in the country. Price control applies to only a few commodities, and the Commissioner urged the people to purchase more war savings certificates and to build up bank accounts as a means of siphoning off the country's surplus purchasing power. He mentioned that the sale of war savings certificates during the past nine months aggregated \$594,000 as compared with \$371,000 in the pre-

ceding nine-month period. The total amount of war savings certificates sold to the end of March was \$1,893,000, of which \$1,300,000 had been transferred to the United Kingdom in the form of temporary loans, free of interest. This sum is in addition to the loans amounting to \$6,500,000 from surplus exchequer balances.

The Commissioner also suggested that a second Victory Loan would be raised during the year for the purpose of converting some sterling loans and at the same time providing the United Kingdom with needed dollars.

INDIAN FILM INDUSTRY

PAUL SYKES, CANADIAN TRADE COMMISSIONER

Bombay, April 29, 1943.—The Indian film industry is slightly less than thirty years old, but in this comparatively short space of time has grown at an unusually rapid pace. It is now estimated that it ranks eighth among India's industries in respect of investment and value of production.

DEVELOPMENT

The first Indian-made film was completed in 1913. Progress achieved in production was slow for some years, but the development of sound films gave considerable impetus to the new industry, since the Indian theatre-going population prefers a much larger element of instrumental and vocal music than is included with the average European film. There was at that time a considerable expansion in the number and facilities of the early studios in Bombay, and the industry began to spread to Calcutta and Madras. The year 1939 was celebrated as the silver jubilee of the film industry by the holding of a congress and exhibition in Bombay.

PRESENT ORGANIZATION

It is estimated that there are at present some 50 studios in operation throughout India, utilized by approximately 150 film-producing companies. The more active studios are in Bombay, Poona, Kohlapur, Lahore, Calcutta, and Madras. Investment in studio buildings and equipment amounts to some Rs.10,000,000, while expenditure on production and distribution has been estimated at three times this amount. An average of 4,000 artists and technical personnel are employed in the studios annually, and a slightly larger staff on sales, distribution, and other incidental activities. Annual expenditure on salaries amounts to some Rs.2,500,000.

TYPE OF PRODUCTION

The film-producing industry in India is almost exclusively concerned with native demand and is accordingly occupied with satisfying the particular requirements of this market. Feature films of an average length of 13,000 feet are its particular concern. Very few shorts have been produced to date with the exception of a number made during recent years to stimulate enlistment in the services and to accelerate contributions to war loans and various charities. The ratio of footage consumed as between features and shorts made in Indian studios is approximately 40 to 1. It may be explained in this connection that many Indian-made films are historical and accordingly merit detailed treatment. Additionally the Indian theatre-going public is only casually interested in European news reels and shorts of a similar type.

COMPETITION WITH IMPORTED FILMS

The Indian film industry has, since its inception, had to contend with severe competition from imported films but, with the progressive extension in the number of theatres designed for the Indian population, there has been a marked improvement in the proportion of Indian-made feature films, shorts and total footage to the total number of such films or footage shown throughout the country. Records of films censored indicate, for example, that in 1926, by which time the local industry was becoming fairly well established, the number of Indian-made feature films exhibited was 95 as against 456 imported films. In the case of shorts the respective numbers were 53 and 1,076. The total of locally made films exhibited in India in that year was accordingly less than 10 per cent of the number imported. By 1940 the position had altered to the extent that Indian-made feature films numbered 162 as compared with 201 of overseas make and, although no record of shorts is available, it is probable that the total footage of Indian-made films exhibited during the year approximated 50 per cent of the total.

DISTRIBUTION

It is estimated that there are some 150 film-distributing companies in India, less than a dozen of which are European firms engaged in the sale of American and United Kingdom products. The number of theatres is estimated at 1,300, at least 75 per cent of which are concerned exclusively with the exhibition of Indian films. There are as well several hundred touring theatres covering the many districts throughout the country where no permanent accommodation is available.

For administrative purposes the larger film-distributing companies divide the country into six circuits, of which the eastern and northern are the largest in respect of population figures, followed by the southern, central, western, and northwestern. The southern circuit offers a considerably larger number of theatres than the others.

IMPORTS OF FILMS AND EQUIPMENT

This industry depends to an unusually large extent on imported supplies of films and other equipment. During 1939-40 the imports of raw films, largely for the use of the film-producing industry, amounted to 82,953,301 feet of a value of Rs.3,102,565. Imports of equipment for the manufacture and exhibition of films during the same year were valued at Rs.789,310.

Over half of the above value of imports of raw films represents supplies of United Kingdom origin, although prior to the war a large part of the trade was credited to Germany, the United States, and Belgium. In the case of equipment, the United States has always been the largest supplier, followed by Germany and the United Kingdom.

Canada has taken only a minor place in the supply of raw films or equipment to this Indian industry. A few Canadian-made shorts have been distributed throughout the country during recent years, but this business also has been limited.

SUMMARY

The foregoing review of the Indian film industry is indicative of its remarkable growth, wide ramifications, and its extensive demand for raw materials and manufacturing and projection equipment. Such demand will in all likelihood expand to an even larger extent after the war. This market may at such time be of interest to Canadian producers. Other Canadian firms interested in the Indian market for goods which require to be widely advertised may consider the possibility of assisting sales through the medium of the cinema theatres.

CONDITIONS IN FIJI IN 1942

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, April 12, 1943.—Information from this Colony during 1942 has been meagre; no statistics have been published and economic reports have been discontinued. However some has been supplied by firms and agents interested in the Island trade.

In general the main industries, gold mining and the production of copra and sugar, are doing well. The price of copra is maintained at £18 per ton f.o.b. Suva, and gold is in good demand. Sugar refineries are working full time. The main difficulty is the shipping situation. Lacking the regular schedules maintained by several lines, Fiji has to contend with a sporadic service by the few ships that can be spared. Service to and from New Zealand and Australia is much better than direct with the United Kingdom or America. As a result, stocks of copra and sugar tend to pile up. The pineapple industry suffers from a serious shortage of cans.

CONTROL MEASURES

In their control of imports the Fijian authorities do not operate according to any schedule of regulations. All importing is done under licence, and applications are individually considered by the Economic Warfare Committee. The practice recently has been to prohibit all non-essential imports, and to permit entry of a certain quota of essential items such as timber, paper, parts for agricultural implements, flour, steel, foodstuffs, etc., mainly from Australia. It is estimated that Australia supplies over 80 per cent of Fiji's imports.

Cost of living in the Colony has risen considerably. Rents, clothing and foods are all high in price. Government control operates to a certain extent with respect to clothing, services and other consumer commodities but not over foodstuffs.

For the army three battalions have been raised, one permanent and two on a part-time basis.

UNITED STATES GRADE LABELLING PLAN ABANDONED

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, May 24, 1943.—The grade labelling program adopted by the Office of Price Administration last January and reported in *Commercial Intelligence Journal* No. 2036 (February 6, 1943) has been cancelled as of May 18. From its inception this scheme was strongly opposed by the canners of fruits, vegetables, and juices, although supported by consumer groups.

The action terminating the much criticized measure was incorporated in an amendment to Maximum Price Regulation No. 306. At the same time an alternative method for protecting the housewife against hidden price increases through up-grading was put into effect.

Under the new procedure the most important feature is that canners must continue to grade their 1943 pack in accordance with the United States Department of Agriculture grades, and canners' prices will continue to be set by grade. These grades must be indicated on the invoice every time the goods change hands until they reach the retail store. No producer may pack more than one grade of the same canned fruit or vegetable under the same brand name without a distinguishing label sufficient to show that different grades are being sold under such a brand.

Retail dollar-and-cents ceilings are now being worked out for the 130 largest communities in the United States and will be published from time to

time. These so called "community ceilings" will list the grades as well as the prices of the leading brands, so that consumers in these centres may know the quality of their purchases. The Office of Price Administration proposes to consult with retailers and consumer groups concerning other amendments. Present proposals include a requirement that storekeepers post lists of the grade ratings of various brands, separate the cans on the shelves according to grade, or take other measures sufficient to accomplish the same result.

Early products of the 1943 pack for which canners' maximum prices had been set on a grade basis were canned peas, corn, snap beans, tomatoes, spinach, and grapefruit juice.

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to May 1, 1943:

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to May 1, 1943 Quantity	Per Cent
Whole milk	Gal.	3,000,000	6½ to 3½c. per gal.	2,563	....
Cream	Gal.	1,500,000	56½c. to 28¾c. per gal.	290	....
Filleted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000	2½ to 1½c. per lb.	3,568,276	23.7
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	1,080,761	72.5
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	15,362	1.5
Red cedar shingles	Sq.	2,506,072		502,613	20.5
Silver or black foxes, furs and articles: *Foxes valued under \$250 each and whole furs and skins	No.	100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658	45.6
Tails	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462	9.2

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

CONTROL OF EXPORTS FROM CANADA

REGULATIONS AMENDED

By Export Permit Branch Order No. 71, effective May 29, 1943, the Export Permit Regulations are amended as follows:—

Exemptions from requiring an export permit for shipment of the following to the British Empire are cancelled and these commodities will henceforth require an export permit when exported to any destination:—

GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Candy, candied popcorn, candied nuts and sweetmeats.

Chewing gum, sweetened.

Potatoes in their natural state, including certified seed potatoes.

GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Beef and veal, dressed, and other edible beef and veal products.
Hogs, dressed, and other edible pork products except lard.

The exemption on oatmeal and rolled oats when shipped to the United Kingdom and on eggs in the shell when shipped to Newfoundland are also cancelled, so that oatmeal and rolled oats, included in Group 1 (Agricultural and Vegetable Products), and eggs in the shell, included in Group 2 (Animals and Animal Products) will now require an export permit before being shipped from Canada to any destination.

Subsection (b) of Regulation 34 is amended by the addition, after the words "the Ministry of Supply for the United Kingdom", of the words "the United Kingdom Ministry of Food".

TARIFF CHANGES AND TRADE REGULATIONS

Trinidad

DUTY REDUCED ON FOOTWEAR OF NON-BRITISH ORIGIN

A resolution of the Trinidad Legislative Council of April 16, 1943, cancelled the alternative general tariff rate of 10 per cent ad valorem plus 72 cents per pair on leather boots and shoes. It was explained that this high duty was introduced in February, 1935, as a counter-measure to the flooding of the market with cheap Japanese shoes and that this reason no longer exists. The general tariff rate is now 30 per cent ad valorem, and the British preferential rate is 10 per cent ad valorem.

Mexico

TRADE AGREEMENT WITH CHILE

Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City advises under date May 24, that a trade agreement between Mexico and Chile of a general most-favoured-nation character was published in the *Diario Oficial* of April 30, with effect as from March 23, 1943. The treaty does not at present accord to either country any reduction in tariff rates, but one clause makes provision for the submission by each country to the other, within the period of three months immediately following the effective date of the treaty, of a list of products that are to receive special customs treatment when imported into the other. When the special treatment accorded to these specific products has been agreed upon, it will form an integral part of the agreement.

The Chilean products that on importation into Mexico will later be given this special tariff treatment are: red, white and sparkling wines, in any container; malt for beer manufacture; barley in the grain; ground paprika; rolled oats and oatmeal; fertilizers for agriculture; grease and washed wool; sulphur; pharmaceutical and biological products and preparations; salts of sodium and potassium for industrial use.

Ecuador

CUSTOMS RULING ON NEWSPRINT

Mr. W. G. Stark, Acting Trade Commissioner at Lima, writes that an Ecuadorean customs ruling, published November 2, 1942, states that the duty-free entry of newsprint paper under the tariff of Ecuador is applicable only when the import is destined exclusively for the use of newsprint concerns. Imports of this paper for other uses, such as wrapping, are subject to duty at the rate of 0.35 sucre per kilogram (about \$1.24 per 100 pounds) under the normal tariff; from this there is a reduction of 30 per cent under the preferential tariff, which applies to imports from Canada.

Cuba

CUSTOMS REGULATIONS ON PARCEL POST SHIPMENTS

The Canadian Trade Commissioner's office in Havana, Cuba, reports that as from April 14 new regulations have been put into effect governing the examination, tariff classification and clearance of post parcels by customs officials at Cuban post offices. The regulations provide that the consignee shall produce the consular invoice covering the particular parcel concerned. No exceptions are to be permitted because of the value of the shipment. Should there be no Cuban consular office at the location of the post office whence the parcel may have been despatched, the consignee shall in such case furnish the Cuban Customs officials with the respective commercial invoice at the time of clearing the parcel.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING MAY 31, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, May 31, 1943, and for the week ending Monday, May 24, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 24	Nominal Quotations in Montreal Week ending May 31	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2775	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5851	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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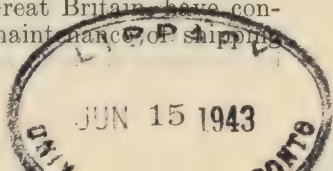
ECONOMIC CONDITIONS IN NEW ZEALAND IN 1942

C. B. BIRKETT, ACTING TRADE COMMISSIONER

Auckland, April 13, 1943.—For New Zealand 1942 was a year of intensified war effort. Faced with the threat of severance of her communications as well as invasion, plans were laid and immediately put into execution that to-day are absorbing an ever-increasing proportion of the Dominion's resources.

At the end of December the men withdrawn from civilian life for service with the army, navy and air force numbered 160,000. Despite this diversion of manpower, as well as the call-up of thousands of men and women for auxiliary services such as home guard, fire, air-raid protection, coastal guard and Red Cross, the production of food, raw materials and many necessary articles of common use was kept up to a high level. Sacrifice on the part of civilians in a material way was naturally part of the program. The consumption of all commodities in general use was restricted to an extent commensurate with the supplies available. Rationing of tea, sugar, petrol, clothing and drapery was introduced. Primary producers achieved excellent results, the value of their exports constituting a record for the past ten seasons. Production from scrap of war equipment and supplies within New Zealand and of a limited volume of parts and material formerly imported was developed to an extent not believed possible in 1941. This was done in the face of a shortage of skilled labour, tools and the necessary materials.

Expenditure for war in 1942 more than doubled that for 1941. On the other hand, overseas sales of produce, particularly to Great Britain, have continued very satisfactorily, which speaks well for the maintenance of shipping



facilities. The prices realized allowed for no complaint. In respect of meat, wool and dairy produce the purchase of all production is guaranteed, and exports are paid for before shipment is made.

The supply problem has been a particularly difficult one for New Zealand. A sudden demand for war equipment of all descriptions, coming at a time of tightened export control in Britain, Australia and America, necessitated reorganization in the machinery set up for procurement of all supplies as well as that for the actual importation and distribution. This naturally resulted in considerable dislocation of business. The year has seen the development of bulk purchasing, increased requisitioning on lend-lease account, and the establishment of much closer contact and co-operation with the governments in the supplying countries. In return for lend-lease considerations and in conformity with the efforts to conserve shipping space, New Zealand strained every effort to contribute, to as great an extent as possible, foodstuffs, accommodation, materials for construction, etc. to the establishment and maintenance of the United States armed forces in this area.

At the outbreak of hostilities in the Pacific, New Zealand found her capacity to defend herself woefully inadequate. Aid from the United States in men and equipment, as well as supplies from Britain and Canada, combined with her own efforts, largely remedied the position by the middle of the year. Subsequent military operations in the Pacific, the continued strengthening of defences, and the arrival of more equipment have placed New Zealand in a position to-day that few would have dared to forecast a year ago.

OVERSEAS TRADE

(One New Zealand pound equals \$3.60 Canadian)

Remarkable from the point of view of present production difficulties and strained shipping services is a substantial increase in New Zealand's water-borne trade during the calendar year 1942. At £80,875,000 exports were by a wide margin the highest in value in the past ten years. The nearest comparable figure, that for 1940, was £7,134,000 lower than last year's total. Imports, valued at £53,670,000, were exceeded only in the two years 1937 and 1938 of the ten-year period. A trading balance of £27,205,000 is also a record for the period. Returns for the calendar years since 1933 are as follows:—

Statistical Summary of New Zealand Trade

	Exports	Imports	Excess
1933	£41,006,000	£25,581,000	£15,425,000
1934	47,343,000	31,340,000	16,003,000
1935	46,538,000	36,317,000	10,221,000
1936	56,752,000	44,259,000	12,493,000
1937	66,713,000	56,161,000	10,552,000
1938	58,376,000	55,422,000	2,954,000
1939	58,049,000	49,387,000	8,662,000
1940	73,741,000	48,998,000	24,743,000
1941	67,479,000	49,167,000	18,312,000
1942	80,875,000	53,670,000	27,205,000

This creditable showing in the face of labour shortages and other difficulties has afforded great satisfaction throughout the Dominion. Increased production, largely of primary products such as wool, meat and dairy produce, combined with the continued application of import control, has kept overseas funds at a high level, the figure being over £(N.Z.) 40,000,000 at the end of 1942, a record for the past six years.

It is reported that the increase shown in the value of exports is accounted for mainly by an increase in volume thereof and only to an extent of 15 per cent by increases in prices realized. As regards imports, the rise in prices since the

outbreak of war is closely estimated at 60 per cent. The curtailment in volume of imports, therefore, has been greater than the figures would suggest.

IMPORT CONTROL

Strict control of imports, particularly those of the luxury class, non-essentials and those of a class or kind now being manufactured in New Zealand, continued throughout the year. Essential items, materials and equipment required for the armed forces, and raw and semi-raw materials for New Zealand's industries were imported on a scale that was limited only by the export control in the countries of supply and the extent to which shipping space could be provided for their carriage. The menace that New Zealand was under in the South Pacific theatre of war gave her a high priority, and imports of all forms of equipment, as well as materials essential to the defence of the Dominion, arrived in large quantities.

LEND LEASE

Imports from the United States on this basis comprised war equipment, munitions, and military and naval stores, as well as raw materials and machinery essential to the war effort. In return New Zealand has been providing an increasing supply of foods, materials for construction, services, storage space, camps, hospitals, bases, etc. for the use of United States armed forces in this area. All applications on lend lease are closely investigated by United States administrators in this country.

GOVERNMENT FINANCE

The expenditure under the war expenses account for the first nine months of the current financial year amounted to £75,369,000 as compared with £35,877,000 for the corresponding period last year. Details of the two periods are as follows:—

	Apr.-Dec., 1942	Apr.-Dec., 1941
Navy	£ 4,184,000	£ 2,195,000
Army	39,754,000	17,000,000
Air Force	11,033,000	7,066,000
Civil	20,190,000	2,233,000
Rehabilitation	40,000	.....
Loans redemption	168,000	7,323,000
Miscellaneous .....	.....	70,000
Total	£75,369,000	£35,877,000

Yields from loans (internal and from Great Britain), sales tax, national security tax, national savings accounts, and transfers from the consolidated account have produced £84,107,000 as compared with £37,224,000 in 1941, to cover the above expenditure. In April, 1942, the Minister of Finance budgeted for the spending of £133,000,000 for war, including £97,000,000 on the army, during 1942-43.

Revenue and expenditure for the period in the ordinary account of the consolidated fund, or civil account, are as follows:—

	Apr.-Dec., 1942	Apr.-Dec., 1941
Revenue	£24,322,000	£22,052,000
Expenditure	23,870,000	25,234,000
Balance	+£ 452,000	—£ 3,182,000

The principal change in revenue under this account is that in respect of income tax, which increased from £4,414,000 to £7,501,000.

During the nine-month period approximately £32,000,000 was raised by public subscription. The first appeal in May for £15,000,000 brought £17,000,000. The second appeal in October for £10,000,000 brought £10,900,000, which, along with the revenue from the savings accounts, made a total of approximately £32,000,000. Under the Memorandum of Security Agreement, by which Great Britain guaranteed to make up the expenses of the New Zealand troops overseas, net borrowings amounted to £5,995,000. Delay in bringing to charge overseas expenditure, however, will account for a much higher figure borrowed from Britain at the end of the fiscal year.

The position of the Social Security Fund is as follows:—

	Apr.-Dec., 1942	Apr.-Dec., 1941
Total revenue	£9,229,000	£8,555,000
Expenditure	9,789,000	7,892,000

New Zealand's total expenditure under the war expenses account up to the end of 1942 was £174,643,000. Banking returns show net overseas funds at £(N.Z.)40,556,899 on December 28 last, the highest level recorded since July, 1936.

PRIMARY PRODUCTION

Killings for the year ended September 30 last totalled 330,330 tons of meat as compared with 320,000 tons for the previous season. The number of sheep and lambs treated constituted a record, totalling 13,735,000 head, an increase of 540,000 head. Pig killings totalled 365,000 head, a decrease of nearly 100,000 and the lowest for any season since 1938. Beef killings, at around 600,000 quarters, showed a decrease of 65,000 quarters. Killings for the three months of the new season, ended December 31, totalled 2,040,000 sheep and lambs as compared with 2,685,000 head for the same period of last season. The number of pigs slaughtered totalled 45,000 as against 135,000. Killings of beef for the period were slightly ahead of last year. Total stocks of meat in stores at January 31, 1943, were 72,748 tons as against 100,506 tons at the same date in 1942.

Gross proceeds from wool in the Dominion during the twelve months ended June 30, 1942, amounted to £18,167,000 as compared with approximately £17,272,000 for the previous year. The quantity disposed of was 985,350 bales, made up of 826,759 bales of greasy wool and 158,591 bales of slipe. Prospects for the present season are reported as good. There has been a high percentage of lambing, and the weather has been, on the whole, favourable.

For the season ended July 31, 1942, the production of butter totalled 103,326 tons, a decrease of 25 per cent from the figure of 139,444 tons in the previous season. Cheese production increased by 28.9 per cent, from 118,899 tons to 153,074 tons. A decline in butterfat production of 9 per cent is attributed partly to unfavourable weather and partly to shortage of farm labour. In contrast with that of last season, the program for this season calls for all-out production of butter and less output of cheese.

Butter graded for the period August 1 to January 31 last amounted to approximately 82,000 tons as compared with 76,000 tons for the same period in the previous season, an increase of 8 per cent. Cheese graded was 62,000 tons as compared with 93,000 tons, a decrease of 33 per cent. In all the decrease in butterfat was 6.4 per cent.

From 258,000 acres the 1942 harvest of wheat was 8,670,000 bushels as against 8,305,865 bushels in 1941 from 243,197 acres. An increased acreage has been sown for 1943, the aim being 300,000 acres.

The area sown to flax for production in early 1942 was 21,190 acres as compared with 13,123 acres in the previous season. The 1941 crop produced 17,584 tons of flax. Acreage planted for production in 1943 is 22,250.

Timber production in New Zealand is well behind demand. The estimated cut for the year ended March 31, 1942, is 310,000,000 feet, a reduction of some 30,000,000 feet from the previous year's figure. Shortage of manpower is largely responsible for the decrease.

Plans for 1943 provide for increased production of meat, dairy produce, wheat, flax, barley, oats, fruit, and vegetables. Greatly increased quantities of fruit and vegetables are particularly required to meet the demands for canned foods; also 3,000 more tons of onions and 4,000,000 dozen extra eggs are needed. New Zealand's responsibility as a food supplier to the Services in the Pacific has resulted in a situation that will require energetic development of resources.

MANUFACTURING

The development and expansion during the past three years of manufacturing in this country under the protection of import control and the spur of the active demand for civilian and military goods have been substantial. This has been particularly so where the raw materials used are of domestic origin, such as in the woollen, wood-products, footwear, and biscuit factories.

Indicative of the expansion in what is termed the true manufacturing industries of the Dominion are the following figures of employment (the latest available): 1938-39, 71,881; 1939-40, 76,665; 1940-41, 80,646; 1941-42, 82,400 (estimated).

The term "true" factories does not include bakeries, butcheries, laundries, smithies and the like, or such small industries as jewellery and watch repairing, boot and shoe, and saddlery repairing. All factories are included, however, that process primary products such as hides, bacon, butter, cheese, etc.

The manufacture of goods for war purposes has been noteworthy, all circumstances considered. Clothing production for the Forces has reached over 500,000 complete battledresses, 320,000 uniform jackets, 390,000 uniform trousers, 120,000 khaki shorts, 304,000 great coats, 462,000 caps. In addition a large supply of shirts, singlets and other items of apparel has been delivered. Woollen mills have turned out to date 454,000 pairs of blankets, 2,312,000 yards of flannel shirting, and 2,150,000 pairs socks and stockings. Footwear factories have delivered 1,500,000 pairs of boots and shoes.

Deliveries of other products comprise 500 tons of barbed wire, many tons of nails, 750,000 insulators, 400 concrete-mixers, and 400 hydraulic jacks.

It is reported that a contract for several thousand radio sets has been undertaken and that a supply of 5,000,000 square feet of insulating board is earmarked for the Forces. Naval vessels of small tonnage under construction, and that have been commissioned, number 18. Construction of additional vessels and naval facilities is being pushed to the limit.

The annual production of small-arms ammunition is 60,000,000 rounds, and in 1943 this figure will likely rise to 100,000,000. Mortar bombs and hand grenades are being turned out on an increasing scale. All New Zealand's requirements of universal carriers have been constructed locally, and the plants are now producing supplies for overseas. Other munitions include components for the Sten gun and mortars. A plant now employing more than 350 people, of whom 25 per cent are women, is manufacturing trainer aircraft ready for use in the Dominion. Only the engines and instruments are imported.

In the category of food for the Forces, large quantities of canned jellies, sausages, oatmeal, pickles and meats have been shipped abroad. In addition 1,023,000 cases of army biscuits and 1,750,000 slabs of emergency chocolate ration have been delivered.

Perhaps the most noteworthy item of production for civilian use has been children's toys. Many factories, mostly small, are turning out a variety of toys made from wood, cloth and cast metal. Prices are high, and the workmanship

and design are as yet indifferent. The previously established manufacturing activities, such as engineering, woollens, clothing, tanning, footwear, biscuits and confectionery, brushes and brooms, wallboards, boxes and cardboard, furniture and cabinetmaking, and meat freezing, are all fully engaged to the extent of the manpower that is allocated to them.

Expansion of manufacturing efforts continue but at a progressively slower rate since 1939. Production of the following has been begun or developed to a greater extent during 1942: metal and novelty buttons, typewriter ribbons, inks and stains for finishing footwear, potato-sorting machines, enamel cast-iron stew-pans and casseroles, gas producers, can-sealing compounds, wooden handles, egg-grading machines, women's dresses, adhesives, leather bags, asbestos products, gloves, picture frames, etc.

Regarding food products, the notable development in 1942 was the commencement of production of macaroni and the progress in the canning industry. An impressive program for canning vegetables, meats, fruits, juices and fish was begun, necessitating during the current year the provision of 150,000,000 cans. Efforts to meet part of the needs of the Forces of the United Nations in this theatre of war is, of course, a compelling factor in this production. The canning of fish is not on a substantial scale, the types available not being entirely suitable. Nevertheless fair quantities of herring, pilchards, mullet, trevalli and kawahai are helping to replace imported salmon, sardines and herring.

MANPOWER SITUATION

New Zealand's contribution in men and women to the armed forces of the Empire is reckoned proportionately second to none. According to reliable authority, over 20 per cent of the adult male population is in some branch of the Services. This figure takes no account of men enrolled in the Home Guard, Emergency Fire Service, Emergency Precautions Scheme, Coast Watches, etc. Of a population of 1,600,000, a total of 160,000 men are in the armed forces in New Zealand and overseas, 150,000 are engaged in farming, and 110,000 are employed in secondary industry. In addition a good proportion of the female population, as well as being in the Services, is engaged in factories, offices, transport duties, Red Cross work, on the farms and in many other pursuits.

In all there have been eighteen call-ups of men for service. The nineteenth, made in December last, has not yet been completed pending a review of the position. This call-up was for married men of 41 to 45 and marked the exhaustion of the manpower reserve for active service, leaving only youths as they become 21 years of age.

While this effort has been a splendid one, the opinion is generally held that New Zealand is over-committed in regard to the supply of men for the Forces to the extent of seriously endangering production levels and the maintenance of public utilities. Much hardship has been experienced in the past year from the reduction of office and factory staffs, and of available farm labour. The loss of manpower to the railways, postal services and electric power schemes, despite the employment of women, has been particularly serious. Efforts to remedy the situation without interfering with established programs, such as a transfer of over 6,000 men from non-essential to essential work and a return of between 8,000 and 10,000 men from the army to work on the farms, have proved inadequate.

Recognizing the seriousness of the situation, the Government has announced that a survey of the man and woman power resources has been made

and that steps will be taken shortly to ensure a balanced effort in production, defence and overseas campaigning.

Industrial disputes were not as numerous in 1942 as in the previous year, there being 64 as against 97. Working days lost, however, increased from 26,237 to 51,436. The most serious disputes occurred in the coal-mining and meat-freezing industries.

ANTI-INFLATION MEASURES

The measures to arrest the dangerous trend towards inflation have taken the form of strict control over prices of a wide range of essential commodities, as well as over rents, wages, and salaries. The first effort was made at the outbreak of war, when all prices were brought under the control of a body known as the Price Tribunal. In September, 1941, a ceiling was fixed for 38 of the more important items entering into the cost of living. It was realized early in 1942 that these measures were inadequate to meet the worsening situation, and the whole question was reviewed from a much broader point of view. It was announced by a responsible authority that the national income had increased by about £50,000,000 above that for 1939 and that the supply of goods had decreased in value by more than £40,000,000. This excess of purchasing power threatened inflation and endangered the Government's price controls. Therefore, to close this gap of nearly £100,000,000 between income and value of goods available for purchase, drastic action was taken. Regulations issued in December last provided for the freezing of rents as of September 1, 1942; the freezing of all rates of remuneration as of December 15, including time and piece wages, bonus and other special payments, allowances, fees or commissions, and every emolument, whether paid in money or not, travelling expenses, and directors' fees. Rates may be increased only on permission from or at the direction of the Government. Incomes of companies and individuals were already controlled through the combined effect of income tax, excess profits tax, and price orders. As regards cost of living, to the list of 38 commodities and services put under control in September, 1941, there were added a further 110 items that the public have to buy. The list is now a comprehensive one comprising groceries, dairy products, meat, fresh fruit, vegetables, fish, light, clothing, footwear, drapery, furniture, utensils and a host of miscellaneous articles in common use. The weighted index (retail prices of all groups) of cost of living rose by 3·7 per cent during the year, making a total increase of 14·3 per cent above the level for August, 1939.

RATIONING REGULATIONS

The rationing of gasoline to both private and business consumers continued throughout the year. On the outbreak of war with Japan, all stocks were frozen, except those for vital uses, until late in January, 1942, when rationing was continued on the previous scale, that is, two gallons for cars up to 9 h.p., three gallons for cars up to 14 h.p., and four gallons for cars over 14 h.p., per month. Business firms and members of professions were allowed extra quantities according to circumstances. Beginning in May, the above monthly rations were reduced by 50 per cent, and they remain at that level to-day. In conjunction with gasoline rationing, the sale and distribution of rubber tires, as well as rubber supplies for retreading are closely husbanded. No purchases can be made without a permit, which can only be obtained in cases of essential need.

In respect of other commodities, rationing has been introduced to cover sugar (three pounds per person per month); tea (half a pound per adult per month); silk stockings, clothing and textile products of a wide variety.

SOUTH AFRICA'S WOOD SUPPLY

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

II. Future Outlook

As noted previously, during 1940-41 the state forests and plantations produced 13,964,000 cubic feet of wood, including 10,000,000 cubic feet of sawlogs. It was estimated that private plantations produced 3,000,000 cubic feet of timber, excluding firewood and wood specially supplied, such as mining timber. It is estimated that in 1942-43 the state plantations will produce over 10,000,000 cubic feet of timber in the round, and over 23,000,000 cubic feet for the year 1943-44. Private plantations, it is assumed, will produce the same volume as in 1941-42. These figures indicate what can be expected from South African sources of supply. Cut off from its main sources of imports, it will be necessary for South Africa, as long as the war lasts, to conserve available wood supply by utilizing it only where essential. Many activities are being curtailed as a result, and thus building construction and industrial and commercial development will lag behind. It is not anticipated that many substitutes will be used where wood is not available, although cement for construction and cardboard for containers are being utilized as replacement material to an increasing extent.

The situation is such that it will force the Union to put its own available wood resources to the most effective use, to substitute species of wood grown in South Africa for many that were formerly imported, and also to investigate the possibilities of using more timbers from neighbouring African territories.

An indication of the trend is the use of Douglas fir and pitch pine in the local mining industry. Importations of these timbers have become almost impossible, and the possibility of substituting those grown in Southern Africa has therefore been investigated. Tests have been made, as a result of which, it is reported, indigenous timbers are being increasingly employed.

Industries and timber-users become bound to the use of certain species of timber by habit to such an extent that they are prejudiced against all others. The present shortage is helping to remove these prejudices.

Recently a Union Commission left for the West African Colonies to exploit their trade possibilities. One of the functions of this Commission is to investigate the suitability of timbers in this area for use in South Africa.

It is also necessary to look ahead to the time when peace will have come and world reconstruction will begin. In this reconstruction period the demand for wood will probably be greater than before the war, and many countries that were in a position to export lumber prior to 1939 will have to import, at least in the early part of the post-war period.

The factors that will bring about this increased use of wood may be summarized as follows:—

- (a) A resumption of the erection of dwelling-houses and of industrial and commercial activities curtailed or stopped since the outbreak of the war.
- (b) The reconstruction of cities and towns destroyed during the war.
- (c) A part of this post-war reconstruction program in every country of the world will be social security; this will call for housing schemes and slum clearance.
- (d) In many countries with adequate wood supplies industries have been built up during the war in which it is being used as a raw product, and it may be assumed that these industries will not disappear after the close of hostilities.
- (e) The advances made in wood chemistry, and the consequent manufacture of cellulose and lignin and allied products.

The repercussions from this increased post-war demand will be felt in South Africa. As indicated in this report, domestic wood supplies can only help in a limited way. They will, however, increase with time, but not to the extent of supplying all the country's needs. It will therefore be necessary to augment supplies by importation for many more years, in which connection it is necessary to look to those countries that were the sources of timber imports before the war.

Europe, which supplied the bulk of the total, especially in softwoods, is of special interest, and there seems to be little hope that that continent will be able to export timber immediately after the war.

The Secretary-General of the Comité International du Bois recently summed up the European situation, and in his statement he showed that before the war the distribution of the European lumber trade was as follows:—

Distribution of European Lumber Trade

Exports from	Billion Board Feet	Imports into	Billion Board Feet
Scandinavia	3.5	Great Britain and Eire	5.0
Russia	2.0	Other Western European	2.0
Baltic States, Poland and Central Europe	2.5	Germany	1.0
Canada and the United States	1.0	Mediterranean and Hungary	1.0
Total	9.0	Total	9.0

The forests of Central Europe have been subject to excessive exploitation for some time, the more so since the annexation or domination by Germany in some instances or re-armament requirements in others. It is, therefore, quite conceivable that the large forests of Poland, Czechoslovakia, Yugoslavia, Rumania and the Baltic States will not even suffice to meet reconstruction demands at home. They will certainly be disregarded entirely as surplus sources for the future, and this will be so not only during the immediate post-war period but perhaps even permanently.

After the last war it took Russia eight years before wood exports were resumed, and it was about twelve years before she was in a position to reach her normal lumber export capacity of approximately two million board feet. It is not improbable that it will take as long, or even longer, after this war.

Since the Nazi regime came into power in Germany, they started cutting 150 per cent of normal growth in all German forests and have continued to do so. Official German estimates indicate the wood consumption of so-called Greater Germany to be 95 million cubic metres as against an annual growth of 62 million cubic metres. Thus the deficit for that area alone would amount to 33 million cubic metres, the bulk of which is sawn lumber and can be estimated to correspond to 6 billion board feet, whereas prior to 1939 the lumber imports of Germany were only about one billion board feet a year. No doubt, under the pressure of war, she is making further demands on her forests.

Germany has also developed the production of textiles from wood on an enormous scale, the outputs of artificial silk and staple fibre in 1940 being 100,000 tons and 250,000 tons respectively as compared with only 28,000 tons and 2,000 tons in 1932.

Other industries, using wood as the raw product in the production of wood alcohol and wood sugar, have also multiplied, and it is probable, therefore, that after the war Europe as a whole will have to import at least 7 billion board feet or more, which will have to be supplied from either the United States or Canada. It is apparent also that South Africa will have to look elsewhere than to Europe for its timber requirements and must also depend largely on North America.

This means that the timber has to be shipped a much greater distance than from Europe, with the result, it is contended, that the price of timber will rise. If European competition is eliminated from the world timber trade, this will also tend to send prices up, although Brazil is a potential source of softwood, which may have a bearing on the situation. In any case the probable post-war lumber shortage is being utilized as an argument in favour of an extension of the Union's afforestation policy.

DOMESTIC FOREST RESOURCES

Reference was made at the beginning of this report to the extent of South Africa's domestic forests, which can be summarized in tabular form as follows:—

South African Forest Resources

	State Owned	Privately Owned	Total
	Figures in Acres		
Indigenous natural high forest	639,000	150,000	789,000
Exotic plantations—			
Wattles	10,000	535,000	545,000
Eucalypts	69,000	275,000	344,000
Pines	269,000	60,000	329,000
Other species	27,000	50,000	77,000
Total	1,014,000	1,070,000	2,084,000

The indigenous natural forests will continue to contribute a progressively smaller volume of timber, which at present amounts to only about half a million cubic feet annually, of which only 50 per cent can be classed as saw timber. A large proportion of these forests was heavily over-cut in the past, and the Government is now giving attention to building them up, which is, however, a slow process. Most of the indigenous wood species are hard and heavy and suitable for specialized purposes—for flooring, panelling, furniture and the manufacture of wagon parts.

It is unlikely that the area under wattle will be extended, since the wattle industry has reached the saturation point. The wattle is grown to supply tan-bark, and the timber is a by-product, although it is one of the main sources of supply for the mining industry. It is estimated that approximately 300,000 tons of the wattle wood go into mining props annually, which is less than a third of the wattle felled each year. The remainder is largely waste.

The strong demand by the mining-timber industry for poles, lagging and matpacks for its underground operations has stimulated the private production of species of eucalypts to supply this timber. Few other wood varieties can equal some of the eucalypts in the rapidity of early growth, ease of handling and suitability for mine props. These features, coupled with the short rotation period of growth, amounting to about eight years, have made its production most attractive to private enterprise. The good prices paid for mining timber have added to its attractiveness, so much so that planting of eucalypts was overdone and a few years ago the Government warned the public that there was a danger of over-production.

Some of the growers of eucalypts for mining timber who anticipated the possibilities of over-production are concentrating on managing their plantations according to a system that will not only give a crop of mining timber but also in time large-sized saw timber. One of the species most commonly grown for mining timber (*Eucalyptus saligna*) is one of the fastest growing tree species used in the Union. In addition it is the type of timber which, if properly grown and handled, has all the possibilities of a real utility hardwood, and it is stated that there is no reason why the many other varieties of eucalypts grown

in South Africa should not supply the country with hardwoods to replace many that have been imported. As has been pointed out, however, hardwoods are relatively unimportant in comparison with softwoods. This has been well recognized by the State in its afforestation policy, when it is considered that 269,000 acres, or 71 per cent, of its total afforested area of 375,000 acres are under softwoods. Of the total area afforested with softwoods, approximately 88 per cent was planted after 1920, an indication of the activity in afforestation immediately following the last war. The periods and corresponding acreages of this post-1920 planting, which totalled 237,114.2 acres, are as follows: 1920-25, 33,123.7 acres; 1925-30, 58,395.4 acres; 1930-35, 76,397.1 acres; 1935 to March 31, 1941, 69,198 acres.

If, as is generally accepted, softwoods require an average of 30 to 40 years to mature in South Africa, it is apparent that considerable time has yet to elapse before the major portion of the forest area will reach maturity or the stage when it can be clear felled. The bulk of the yields at present are, therefore, essentially still from thinnings, which gave for the year 1941-42 the appreciable value of 10,000,000 cubic feet of sawlog timber. Yields from these softwood plantations will obviously grow larger and larger every year. It is equally obvious, however, that, even including the yields from private softwood plantations, the Union can only produce a small proportion of its softwood needs.

In 1931 the Department of Forestry made an estimate of the future timber requirements of the country, and on the improbable basis of self-sufficiency it was considered that the needs, about 50 years hence, could be met from 1,900,000 acres of afforested land, exclusive of indigenous forests and the wattle areas. This indicated an afforestation program of approximately 32,000 acres per annum, of which the state authorities considered that they should aim at afforesting 20,000 to 22,000 acres per annum, and that in addition public bodies and private citizens should be encouraged and assisted collectively to afforest a further 10,000 to 12,000 acres per annum during the fifty-year period. In connection with this policy, the State, during the period 1931-32 to 1940-41, planted an average acreage of 13,350 per annum, of which roughly 85 per cent was under softwoods. Afforestation by public bodies and private individuals, largely as a result of the extensive planting of eucalypts for mining timber no doubt averaged the figure set for them, but it is doubtful if more than 20 per cent was planted to softwoods.

The excellent demand for coniferous timber to-day has enabled private growers to dispose of their coniferous trees at good prices and is helping to focus attention on the prospects of private enterprise undertaking the growing of softwoods to a greater extent than has hitherto been the case.

If South African forestry, state and private, is to carry out the program as outlined in 1931, which in its first decade has already fallen behind, with a view to realizing its objectives of producing timber and its derivatives to the fullest extent to which the natural conditions of the land permit, then it will be necessary to still afforest upwards of a million and a quarter acres. The Union has, therefore, only gone a little more than a third of the way along its road of afforestation to render the country self-sufficient as regards its main timber needs.

Commercial afforestation is only possible in areas that have upwards of thirty inches of rainfall per annum, which restricts planting on a large scale to the narrow belt of mountainous country lying not far from the coastline and stretching from Table Mountain in the southwest to the Zoutpansberg range in the northern Transvaal. This suitable area comprises approximately 57,000 square miles, of which fully 80 per cent is either too rocky, such as the higher slopes and the tops of mountains, or under agricultural crops. There remain

approximately 11,400 square miles, of which about 3,240 square miles are already under forest and plantations (5,120,000 acres), leaving approximately 8,000 square miles available for further afforestation. The whole of the 11,400 square miles represents only about 2.4 per cent of the area of the Union.

SUMMARY

The ready absorption of African-grown and manufactured timber into local trade supports the view that for many purposes it is competitive, particularly if properly seasoned and finished. Owing, however, to the climatic conditions under which they grow, the general quality of the softwoods tends to be mediocre, owing to their coarse texture and high sap content. After the war it is probable that local softwood timbers will continue to be used to a much greater extent than was the case before the war. Under normal conditions, however, they can never completely displace the imported product, even if in the distant future afforestation should provide a physical quantity approximating the country's total requirements.

Exotic hardwoods, principally eucalyptus, and to some extent indigenous woods, have since the outbreak of war been used for flooring, panelling, furniture-making, the manufacture of wagon parts, tool handles and for numerous other purposes. These uses may also be continued to a certain extent. When, however, Canadian exporters of lumber and wood products are again in a position to make shipments to the South African market, there is but little doubt that they will find most former purchasers of their products willing and ready to resume business relationships and on an even greater scale than before the outbreak of hostilities.

HAT INDUSTRY IN IRELAND

E. L. MCCOLL, CANADIAN TRADE COMMISSIONER

Dublin, May 22, 1943.—Prior to 1936 approximately 1,300,000 women's hats and about 250,000 soft felt hats for men were imported into Ireland annually. The United Kingdom was the chief source of supply, although the former were also obtained from Germany, France, and Czechoslovakia. A number of Irish firms purchased hoods in Great Britain and completed them in their own factories. Men's and boys' hats and caps of Irish tweed were produced in quantities sufficient to supply a steady demand in the home market and to permit of a small export trade.

The Irish Government, pursuing its policy of creating national industries, decided in 1936 to encourage the development of this work locally. Galway was chosen as the site for the initial effort because there were few factories of any kind in the West as compared with other parts of the country. Furthermore, the Government was anxious to provide increased employment in that area.

HAT FACTORY ESTABLISHED

Les Modes Modernes (a Paris firm) was approached with the suggestion that they should set up a factory in Ireland, the Government guaranteeing a protective import duty and an import quota on hats. As a result a member of the French firm came to Eire to undertake the management of the project. A company called Les Modes Modernes, Ltd. was founded, with a capital of £60,000. Of the five directors, three are Irish and two are French.

Early in 1936 the factory was completed. It is a modern building, excellently situated on high ground on the outskirts of Galway City where the employees work under conditions that are conducive to obtaining the best results.

TRAINING OF PERSONNEL

While the factory was being erected, temporary accommodation was acquired nearby, and a small group of experts—designers, finishers, and technical machine-workers—from Austria, Belgium, France and the United Kingdom set about bringing the first hundred employees into the category of skilled craftsmen. Although the work was of a type to which they were entirely unaccustomed, the local people showed such intelligence and adaptability that within a short time goods of a high standard were being produced.

EQUIPMENT AND MACHINERY

The factory is fitted throughout with the most up-to-date machinery, which was obtained principally from Messrs. Farr, of Luton, England, and from France. Les Modes Modernes has its own foundry, in which the aluminium and wood blocks are made. The wood used is lime-wood, of which a large stock had been imported from Yugoslavia.

WESTERN HATS, LTD.

In 1939 another firm, called Western Hats, Ltd., opened a factory at Castlebar for the manufacture of wool hoods and men's hats. This factory is housed in a roomy, well-lighted building, situated amidst pleasant surroundings and covering an area of 90,000 square feet on nine acres of ground. It is under the management of a Czech who has had considerable experience in the hat trade in Europe.

Western Hats, Ltd. makes its own hood forms (of beech and sycamore), using machines that are mostly of Belgian origin. It has also turned out its own dry-cleaner and carbonizer and has produced a water stretcher that is a definite improvement on the Italian machine of the same type.

On the opening of this factory it was arranged that fifty young Irish men and women should go to Verviers in Belgium for a course of instruction in hat manufacture. This group returned to Ireland sufficiently well trained to be able to instruct their fellow-workers at home.

A third factory (Hirsch Ribbons, Ltd.) was subsequently built at Longford and is now supplying the entire demand for hat ribbons in this country.

Les Modes Modernes is engaged in the manufacture of women's hats, while the Castlebar factory makes men's hats and wool hoods, and Hirsch Ribbons confines itself to the production of ribbons of all kinds for the hat trade.

RAW MATERIAL

Before the war wool hoods were imported from Belgium, France, and Italy, while fur hoods came from France and from the United Kingdom. Since that time no continental supplies have been available, and there has been a progressive reduction in imports from the United Kingdom.

It had been intended to start the manufacture of both wool and fur hoods in this country, but the outbreak of war prevented the importation from the Continent of the necessary machinery for making the latter. The plentiful supply of rabbits in Ireland could have provided raw material for the making of fur hoods had the machines been obtained in time. Fur hoods continue, however, to arrive from the United Kingdom, although on a reduced scale. The manufacture of fur felt is a much easier process than that of wool felt, but the latter, being considerably cheaper, finds a much larger market.

Wool hoods are now being manufactured at Castlebar and, although Irish wool is not in itself adapted for use in the manufacture of hats, it has been found suitable when mixed with wool imported from the United Kingdom and with Australian Merino wool, of which large supplies were held. However,

these stocks are now running low and, as transport from Australia has become difficult and efforts to obtain wool from South America have been similarly handicapped, the outlook as regards future supplies is obscure.

PREPARATION OF THE WOOL

The process begins with the grading, cleansing, and dyeing of the wool. (Sixty different shades are produced in the Castlebar factory). The wool then passes through a felt-forming machine and emerges as a continuous, 20-inch filmy, downy ribbon of extreme lightness and open texture. This felt goes to hood-forming cones, on which it is wrapped to a specific weight. The weight of the hood is adjusted according to whether it is to be used for men's or women's hats. The hoods are then hardened, after which they have to undergo a cleansing process, as the wool invariably bears marks of the tar or minium which has been used to brand the sheep. As considerable labour is necessary to remove these stains, wool-manufacturers all over the world have made representations to stock-owners to discontinue this practice, but without success.

After pressing and rubbing, the wools go through a two-direction machine of twenty-five rollers, and the material (at this stage called forms) is wetted from the top with slightly acidified water, which causes it to shrink to a certain size. The forms are then put into a tank with sulphuric acid and left there for five hours. They are then dried in a hydro-extractor (a round vat which turns at a very high speed) to remove the water.

Vegetable seeds are eliminated by carbonizing, a process which consists of burning them as ash in the wool, although the wool is not attacked by the acid. Carbonizing is continued by baking at 95° C. in a Belgian dryer.

The hoods now have to be further shrunken before they are dyed, and when the colours have been fixed by special chemicals to withstand rain, they have to be shrunken once more. At this stage the women's hoods weigh from 70 to 100 grams, while the weight of the men's hoods is from 100 to 150 grams. (28 grams equal 1 ounce).

The hoods now must be pulled and stretched, first by hand and then by machine, before they are ready for despatch to Les Modes Modernes, who absorb the entire hood output of Western Hats, Ltd.

PROCESS OF MANUFACTURE

On arrival at the hat factory, the hoods are first blocked on hat shapes, proofed with shellac to stiffen them, and then put into a hot room to dry. They are then very hard, but are softened by wrapping in wet cloths for about twenty-four hours in a damp, dark room. The cheaper types are then pressed by gas-heated machines with aluminium blocks, while the better-class are blocked on steam-heated wooden shapes. After blocking they are put back into the damp room to take up moisture, as they have dried hard again on the shapes. Twenty-four hours later they are taken to the finishing room, where they are given a shine, matt, velour, or suede finish by pouncing papers, clipping machines, or suede machines. Every type of finish necessitates a different machine, the speed of which has to be regulated for each individual treatment. The hats are then de-dusted by air-pressure machines, after which they go to the cleaning and hydraulic press department. They then require to be cleaned once more by steam and brushes. They next proceed to the lining and stitching department, where they are lined with ribbon, leather, etc., and where the different stitchings, perforations, or other similar decorations are added. Then follows the trimming with ribbon, wool flowers, feathers, silk, velvet, etc., and after a final cleaning and examination they are at last ready for despatch. The more expensive hats are made up by hand in a good-class fur by milliners in the factory from a two-piece hat—brim and crown.

DISTRIBUTION AND SALES

Sales from the factory are restricted to wholesalers. Felt and wool hats only are manufactured because these can be worn almost all the year round in Ireland, whereas climatic conditions keep the demand for hats of straw, linen, etc. within modest proportions.

When the first "Irish" hats came on the market the public found it difficult to associate faraway Connemara, famed throughout the world for scenery and sport, tweed and turf, sea air and carefree life, with the manufacture of hats suitable for wear with smart city suits. The excellent style and quality of the hats, however, soon established them in a position which is unlikely to be challenged even when conditions return to normal.

Les Modes Modernes, Ltd. is now producing about 3,000 hats a day. There are several thousand different designs in use, and many thousand types of trimmings. Wool hats are now made in 60 colours, and there is a range of 32 shades in the fur hats. Western Hats, Ltd. are turning out 800 dozen men's hats per month, as well as about 1,000 hoods for women's hats. Approximately 300 persons are directly employed in Galway, and about 250 in Castlebar. There seems no reason why this industry should not expand indefinitely if trade conditions at the conclusion of the war should permit of the development of wider markets.

PROTECTIVE TARIFF

A duty of 25 per cent ad valorem on imports from all countries was imposed in 1937, and an import quota for the first period (December 20, 1937, to March 31, 1938) of 270,000 articles (of which 160,000 were finished hats) was fixed. The present import duty is at the same rate, and the quota for the period January 4, 1943, to June 30, 1943, is 80,000 articles. No imperial preference rate is in effect.

ARGENTINE SUNFLOWER SEED CROP, 1942-43

W. B. McCULLOUGH, ASSISTANT COMMERCIAL ATTACHÉ

Buenos Aires, May 10, 1943.—Due to the drought conditions from last September through to March, the Argentine sunflower seed crop will be only about 50 per cent of production last year. According to the first forecast by the Argentine Department of Agriculture, production this season will be 7,386,750 cwts. as compared with 14,773,500 cwts. in 1941-42. The department had estimated the sunflower seed plantings at 1,664,780 acres as compared with 1,852,500 acres last year, a reduction of 10.1 per cent. Due to the lack of rain, approximately 35 per cent of the area sown to the present crop was considered lost. For purposes of comparison, the acreage and production of sunflower seed in recent years are shown in the following table:—

Argentine Production of Sunflower Seed

Crop Year	Acrea	Cwts.
1937-38	787,555	5,314,160
1938-39	823,184	5,953,500
1939-40	1,248,832	8,268,750
1940-41	1,418,104	10,914,750
1941-42	1,852,500	14,773,500
1942-43	1,664,780	7,386,750*

* First official estimate.

EXPORTS OF SUNFLOWER SEED AND SUNFLOWER SEED OIL PROHIBITED

A decree issued on February 10 prohibited the exportation of sunflower seed and sunflower seed oil, except to fulfil contracts made prior to the date of the decree. This action was taken by the Argentine authorities to ensure sup-

plies for domestic consumption, in view of the poor crop prospects. On May 8 the Argentine Government announced that, as from that date, no further export permits for either sunflower seed or sunflower seed oil would be authorized.

Argentina exported 59,383 metric tons of sunflower seed oil in 1942 as compared with 11,909 tons in 1941; exports of sunflower seed amounted to 34,841 metric tons as against 17,537 tons. During the first three months of 1943 Argentina exported 16,448 metric tons of sunflower seed oil and 6,756 tons of seed as compared with 15,871 tons and 9,777 tons respectively during the corresponding period in 1942.

EXPORTS OF OIL CAKES PROHIBITED

The Argentine Government issued a decree on May 13 prohibiting the exports of oil cakes manufactured from the residue left after oil has been extracted from seeds used to produce vegetable oils. It is stated in the text of the decree that these residues can be used as fuel, and their use as such may contribute to relieving the present fuel shortage. Argentina exported 64,835 metric tons of oil cakes during 1942. Sweden was the principal market.

INDUSTRIAL DEVELOPMENT IN EAST AFRICA

Mr. J. C. Macgillivray, Canadian Trade Commissioner at Cape Town, reports that, according to advice received from Nairobi, a large-scale plan to equip East Africa for industrial development is being contemplated. This will cover not only wartime requirements but also post-war needs, in connection with which the Chairman of the East African Industrial Research and Development Board is now visiting the United Kingdom. He is authorized by the East African Government to enter into contracts to provide industrial machinery and to arrange for the transfer to East Africa of skilled workmen to instal the machinery and begin operations.

The Board is stated to be particularly interested in the manufacture of sulphuric and hydrochloric acids, caustic soda, pottery and glass, and in the hydrogenation of oils.

These plants will be operated by the Government until the end of the war, when they will be handed over to private enterprise for the general benefit of the community. The cost will be met from government funds.

CONTROL OF EXPORTS FROM CANADA

ADDITIONS TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 4390, effective June 3, 1943, the following commodities are added to the list of those the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa:—

GROUP 1—AGRICULTURAL AND VEGETABLE PRODUCTS

Beverages, distilled, all kinds, including whisky, brandy, rum, gin, cordials and liqueurs.

GROUP 2—ANIMALS AND ANIMAL PRODUCTS

Clams, in the shell, shucked, or in any other form.

GROUP 4—WOOD, WOOD PRODUCTS AND PAPER

Barrels, kegs, casks and other similar containers of wood.
Pails and tubs of wood.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

IMPORT LICENSING REGULATIONS AMENDED

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, Australia, writes that, effective from April 1, 1943, due to the difficulty in having imported watch movements encased locally and to the shortage of alarm clocks, importers may group their non-sterling quotas for certain clocks, watches, chronometers, time registers and detectors, and watch movements, which are now classified under various categories in the Australian tariff, into a single specification. Of the quota thus established, 75 per cent may be utilized for the importation of watch or clock movements, alarm clocks, or complete watches. Where the option to import alarm clocks or watches is exercised, then the balance of the quota (25 per cent) is to be used for the importation of alarm clock and watch movement parts or watch cases.

In view of the present acute shortage of corset steels and corset busks classifiable under Tariff Item 404 as "Materials and minor articles, of a class or kind not commercially produced or manufactured in Australia or the United Kingdom, for use in the manufacture of goods within the Commonwealth", licences covering corset steels and busks of Canadian or United States origin may be issued during the current licensing period to the value of one quarter of an applicant's total imports of these commodities from all sources (sterling and non-sterling) during the base year 1938-39.

No quota restrictions now apply to appliances designed for the alleviation of deafness and parts therefor, irrespective of country of origin.

United States

FILLING OF WHEAT QUOTA

The United States Customs Bureau made an announcement on June 3 concerning the annual wheat import quota first established by a proclamation of May 28, 1941. This proclamation fixed 800,000 bushels as the total quantity of wheat that could be imported from all sources during the ensuing twelve months. According to the announcement now made, the 795,000 bushels of the total quota allotted to Canada for the twelve months' period beginning May 29, 1943, has been filled. A proclamation by the President on April 23, 1943, declared that imports of wheat by the War Food Administrator, or any agency or person designated by him, are not affected by the aforementioned quota limitation on imports.

Argentina

LEGALIZATION OF INVOICES

Mr. Saúl Aguilar, Consul General for Argentina in Montreal, has directed the attention of the Department of Trade and Commerce to Argentine Resolution No. 1090 of July 31, 1941, which requires that all merchandise exported from Canada to Argentina must be covered by consular and commercial invoices legalized by Argentine consular officials *stationed in Canada*. The fact that goods are shipped from a port in the United States, he advises, does not exempt the consular and commercial invoices from legalization at an Argentine consulate in Canada, and under no circumstances must they be legalized in United States ports.

Argentine consulates in Canada are: Argentine Consulate General, 1111 Beaver Hall Hill, Montreal, P.Q.; Argentine Consulate, 149 South Drive, Toronto, Ont.; Argentine Consulate, 220 Grand Allée, Quebec City, P.Q.; Argentine Vice-Consulate, 325 Howe Street, Vancouver, B.C.; Argentine Vice-Consulate, Ritchie Building, 50 Princess Street, Saint John, N.B.

EXCHANGE CONDITIONS IN CHILE

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, May 26, 1943.—All Chilean official exchange rates remain unchanged. There is a plentiful supply of export dollars, and the market continues to be more than amply supplied with D.P. dollars, with the result that the free market rate has risen to that of the D.P. rate, and at times has been slightly above it. The official or "percentage" rate for United States' dollars continues at 19·37 Chilean pesos, the export rate at 25 pesos, and the D.P. rate at 31 pesos.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 7, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 7, 1943, and for the week ending Monday, May 31, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending May 31	Nominal Quotations in Montreal Week ending June 7	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2775	.2797	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5851	.5852	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt . . . Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

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Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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SHIPMENTS OF LESS THAN ONE TON TO LATIN AMERICAN DESTINATIONS

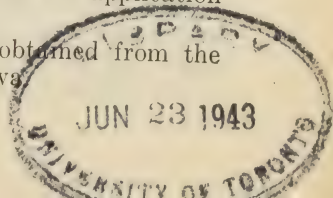
Heretofore applications for ocean freight space to Latin American countries have been accepted by the Shipping Priorities Committee only if the cargo involved amounted to 2,240 pounds or more. For shipments of less than 2,240 pounds the shippers were asked to make their own arrangements for shipping space with the shipping lines. It has now been found that a number of shippers have experienced difficulty in obtaining space for these small lots, and it has therefore been decided to permit the filing of applications regardless of the weight of the shipment, so that the Shipping Priorities Committee may be of assistance to shippers whenever the circumstances warrant.

Shippers may combine more than one shipment on one application regardless of the aggregate weight, and the shipments may consist of different goods and be consigned to more than one consignee at a single port. As there is not sufficient room on the face of the application, these details should be typed on a separate sheet and attached to each of the seven copies of the application. The information should be shown in columnar form under the following headings: "Initial Consignee", "Ultimate Consignee", "Purchaser", "Gross Weight", "No. and Kind of Packages", "Description", "Export Permit No.", "Shipping Rating".

Shippers are advised to combine cargoes rated A and B on one application and those rated C and D on another.

Application forms E1 and further particulars may be obtained from the Shipping Priorities Committee, Room 123, West Block, Ottawa.

81482-1



CONDITIONS IN ARGENTINA IN 1942

I

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

Buenos Aires, April 30, 1943.—So far as employment or living conditions are affected, there is little to indicate to Argentinians that a war is in progress. Although the cost-of-living index for a workman's family has risen nearly ten points since 1940, this is largely due to local speculation in food products and to the excess purchasing power of the public rather than to shortages. There is no lack of food of any class or quality, and rentals have been kept within reasonable limits, largely as a result of the continued upward trend in house and apartment construction. There have been marked changes in direction, but the necessary adjustments have been effected so gradually that there have been few important dislocations in the internal economy.

Argentina has been able to withstand the repercussions from the war so successfully because her economy has remarkable recuperative powers and a high degree of resiliency, due to the inherent wealth and resources of the country. In addition, whereas Argentina secured political independence more than a century ago, economic independence has been coming only during the past fifteen years. The steady upward trend in exports of agricultural products that began at the turn of the century was reversed in the late twenties, and there has been no recovery. Argentina began to foster her manufacturing industry in earnest during the late depression. It has been the home manufacturing industries that have stood the country in such good stead at this time, despite their dependence on essential materials from abroad. Argentina can provide entirely from domestic sources the food and housing as well as the clothing from home-grown wools and cotton fibre and the domestic manufactured rayon needed by her population. Argentinians regard their economic problem with the objectivity possible to a Latin people unhampered by sentimental attachments abroad. Foreign observers, even those with a long and intimate knowledge of conditions in Argentina, are continually surprised anew at the evidence of inherent strength in the economy of the country.

There is no unemployment problem in Argentina. The manufacturing industries, in the course of their expansion, have absorbed most of the displaced workmen such as those from the grain-growing industry or those formerly engaged in the transport or handling of grain or the dock workers. The building construction industry has taken care of most of the remainder of those seeking employment. The banking system is liquid. Money is easy, and bankruptcies have continued the downward trend evident since 1933. Commercial firms have been making big profits on their inventories, which were built up to the maximum in the early period of the war. These firms have been able to pay off the majority of their short-term obligations. Most of the local manufacturing industries are working three shifts in an effort to fill domestic orders and those from Uruguay, Paraguay, Bolivia and other South American countries as well as from South Africa.

It is apparent that Argentina has achieved a high degree of success to date in meeting problems arising from the war. However, in the background of the present situation there is the ever-increasing difficulty, or in many cases the impossibility, of replenishing stocks of commodities essential to the operation of many local industries. The fuel supply is a growing problem accentuated by the virtual loss of the present corn crop, which had been so helpful in providing a substitute fuel last year. A severe drought, that began last October and almost ruined the pastures on which Argentine export cattle fatten and which destroyed most of the corn crop, as stated, will affect the output of beef, mutton and pork. (The drought broke early in March and pastures are quite normal again, but the effect on live stock will continue to be felt for some time.) Money is plentiful in the face of the prospect of domestic industrial production having

probably reached its capacity, due to shortages in available raw materials, and wholesale prices are rising despite commodity ceilings in specific cases and rationing measures.

PURCHASING POWER

The purchasing power of the Argentine public is high. Exports have expanded steadily in value since the beginning of the war, whereas imports have fallen to the lowest level recorded in fifty years, owing to the impossibility of purchasing many needed goods from abroad. The Argentine Government pays local producers in pesos for their exports, whether they are paid for when sold in free currencies or blocked sterling or other currencies, and at the official rates fixed at the outbreak of war. There has been a heavy net inflow of new foreign capital*, some of it only for temporary refuge in this country. Despite repatriation of some external debt and after meeting all financial services, Argentina had a favourable balance in external payments of the equivalent of \$165 million in 1942 following a similar balance of \$160 million in 1941.

The Argentine Government has invested the equivalent of approximately \$335 million in the financing of the grain crops under the guaranteed minimum price policy. Some of this grain has been unsalable or has been consumed as fuel. The budgetary deficits of the Government have been financed through the expansion of bank credit, while bank loans and advances to the public have not changed materially. The media of payment created by these factors amounted to the equivalent of \$235 million in 1942, and approximately half was created through bank credit. The other half had its origin in the inflow of an equivalent amount of gold and foreign exchange deriving from the heavy favourable balance of payments in 1942. This trend is indicated in the following table, which shows the position as at December 31, for each of the years 1939 to 1942 inclusive:—

Monetary Situation in Argentina

	1939	1940	1941	1942
1. Media of payment created—				
(a) From internal sources:		Millions of	Dollars	
Net loans to public	1,085	1,090	1,040	1,063
Financing of crops	86	86	255	335
Other government requirements	151	148	212	267
Subsidiary currency and replacement of bank notes	— 26	— 17	— 2	....
Total internal	1,296	1,307	1,505	1,665
(b) From external sources:				
Gold holdings	491	438	527	666
Free currencies	— 29	— 19	40	18
Blocked £'s sterling	— 7	11	29	87
Other blocked exchange	8	6	— 6	— 27
Total external	463	436	590	744
Total media created	1,759	1,743	2,095	2,409
2. Media of payment, potential—				
(a) Media of payment, active:				
Deposits in current accounts	561	551	740	911
Currency in hands of public	343	376	442	505
Total	904	927	1,182	1,416
Per capita	69.8	70.6	87.4	103.3
Velocity of circulation	100	91	87	83
(b) Media of payment, absorbed:				
Savings and fixed deposits	779	763	805	904
Exchange fund	15	3	49	36
Sub-total	794	766	854	940
Total	1,698	1,693	2,036	2,356

* On April 20, 1943, the Argentine Government subjected the entry of new capital, unless for investment in productive enterprises, to official control.

The decline indicated above in the velocity of circulation has been an important factor in reducing the pressure exerted by the increased media of payment on the price level. One factor contributing to this decline is that the recipients of the larger share of the increased payments in pesos made to producers for commodities exported are the large *estancieros*, who produce the live stock and collect rentals on most of the farmland in grain production. This *estanciero* class is very prosperous now, due to the heavy meat shipments at good prices, and some of the funds at their disposal have remained idle in the banks.

The wholesale price index for non-agricultural products has risen from 108.2 for 1939 to 187.6 for 1942, whereas the cost-of-living index has risen only some 10 points. The rise in wholesale prices began with imported goods at the outbreak of war. The reduction in supplies from abroad, combined with the expanding local purchasing power, accentuated this upward trend. These increased prices in turn stimulated domestic industrial production and increased the use of local substitutes for imported raw materials, fuel and manufactured goods. The abundance of the media of payment, combined with the low yields from bonds, stimulated building construction.

The rise in wholesale prices has not yet seriously affected the cost of living of the public as a whole, but the continually increasing surplus of purchasing power may exercise a serious effect on the price level when domestic industrial production has reached the capacity permitted by available supplies of raw materials from abroad. The output of local manufactures may have already passed its peak. In respect of the increase in the funds arising from the increasing favourable balance of payments, the Argentine Central Bank reported in March, 1943, that "instead of creating pesos against all the sterling derived from our exports to Great Britain, a moderate proportion of the value thereof could be paid for directly in sterling without being first converted into Argentine currency. This proportion of the value of the commodities sold and exported would be credited to the account of the producers in pounds sterling and would be retained by them on deposit or used for the purchase of Argentine sterling bonds which the Argentine Treasury could convert into peso bonds, the negotiation of which would be subjected to the restrictions deemed necessary in view of the absorptive capacity of the local market. This plan would eliminate part of the pounds from the local monetary system and at the same time diminish the creation of media of payment so easing the pressure on the general price level".

WHOLESALE PRICE LEVEL

Argentina has not placed an over-all ceiling on prices. Apart from the effect on the price level exercised so far by the excess of purchasing power, the principal problems have had to do with the equitable local distribution of the scarce imported materials that are being made available. Prices have risen sharply for these goods and for the stocks held of irreplaceable manufactured goods from abroad. Ceiling prices have been placed on specific commodities such as steel and iron, fuel, and rubber tires. Steel and iron and certain other commodities are rationed. Ceiling prices are also posted by the authorities for certain staple foods in the public markets.

The following table shows the trends in wholesale prices and in the cost-of-living index for a workman's family since 1940:—

Wholesale Prices in Buenos Aires

(Base, 1926 = 100)

	Grain	Agricultural Prices			Dairy		Non-	Gen.	Cost of
		Meats	Hides	Wool	Pr'ds.	Av.	Agr.	Level	Living*
1938.....	90.6	94.8	81.9	92.5	83.9	90.6	109.4	105.5	n.a.
1939.....	77.6	94.5	89.2	103.9	83.0	83.6	114.8	108.2	n.a.
1940.....	68.8	103.0	92.3	116.6	82.0	80.4	135.4	123.4	102.27
1941.....	60.3	105.4	105.8	110.4	98.4	76.4	163.8	145.1	104.97
1942.....	60.4	127.3	117.1	104.0	95.0	80.3	217.1	187.6	110.89
1942 (Jan.)	60.1	112.5	121.7	123.3	99.3	79.8	201.1	175.0	n.a.
1943 (Jan.)	62.7	129.8	111.8	82.1	94.1	80.7	228.7	196.8	111.87

* Base, 1939=100.

GOVERNMENT REVENUES

The principal source of national revenue before the war was import duties, which furnished more than one-third of all the revenues collected by the Argentine Government in 1938. The present low level of merchandise imports has almost halved the revenue derived from this source. In 1941 the Government converted almost the entire consolidated national public debt, reducing the interest rate to 4 per cent and making the new issues subject to income tax. The bonded debt of the National Mortgage Bank was also converted to new 4 per cent issues subject as well to income tax for the first time. Income tax rates were moved slightly upwards, but the maximum rate applicable to the highest bracket is still only 12 per cent.

The Government collects certain unified excise taxes under an agreement made with the provinces and municipalities several years ago, affecting tobacco, alcohol, sugar, matches, auto tires, beer, perfumes, silks, etc. The National Government took over some of the provincial debt as an integral part of this tax agreement.

The following table shows the trend in the amount of revenue collected by the National Government in recent years:—

Revenues Collected by the National Government

	1938	1939	1940	1941	1942
	Millions of Dollars				
Customs and port dues.....	125.6	107.1	90.7	72.2	64.6
Income tax.....	44.5	46.3	48.3	47.7	68.7
Stamp tax.....	21.4	21.3	21.7	22.0	23.3
Sales tax.....	13.8	14.5	14.9	15.2	17.5
Territorial contributions.....	14.4	16.1	15.6	15.8	16.0
Excise taxes, unified.....	79.4	83.9	86.3	91.9	91.2
Succession, patents, lottery, etc.....	12.1	14.1	13.4	15.4	15.4
Sundry.....	31.0	47.4	44.5	39.5	28.2
Post and telegraph.....	17.9	19.1	18.5	19.3	15.2
Total.....	360.1	369.8	353.9	339.1	340.2
Distributed to:					
National government.....	316.0	323.2	303.0	284.4	286.8
Provinces and municipalities.....	15.3	17.0	17.4	17.5	20.6
Autonomous entities.....	28.9	29.6	33.5	37.2	32.8

INTEREST RATES

The current easy money situation in Argentina is reflected in the steady decline in both long- and short-term interest rates since 1938. The Argentine public has been investing heavily in real estate and in new building construction, despite the increased cost of materials. The trends in interest rates are shown in the following table:—

Trends in Interest Rates

	Treasury Bills		90-Day		90-Day	
	30 Days	90 Days	1 Year	Bonds	Deposits	Av. Yields
December	%	%	%	%	%	%
1938.....	2.12	2.50	2.97	2.38	2.47	4.89
1939.....	2.06	2.48	3.00	2.38	2.39	4.86
1940.....	2.00	2.41	3.00	2.38	2.31	4.82
1941.....	0.76	1.08	2.24	1.17	2.10	4.24
1942.....	0.63	0.88	2.28	0.95	1.97	4.15

As of December 31, 1942, the total national consolidated debt of Argentina amounted to the equivalent of \$2,054,567,737 (Canadian), or \$149.87 per capita of the population. Of this amount, the external debt accounted for \$431,431,278, and the internal debt for \$1,623,136,459.

The external debt is made up of long-term issues as follows, expressed in Canadian currency: pounds sterling, \$180,770,670; United States dollars, \$180,970,630; Swiss francs, \$20,462,855; Spanish pesetas, \$7,638,466. Short-term issues comprised: United States dollars, \$19,103,712; Swiss francs, \$10,401,333; Italian lire, \$11,488,028; and German reichmarks, \$595,575.

In 1942 the Argentine Government remitted the equivalent of \$51 million in respect of external public debt services. The British Empire received 38 per cent, and free currency countries, including the United States, received 60 per cent of these remittances.

NEW ZEALAND'S OVERSEAS TRADE IN 1942

C. B. BIRKETT, ACTING TRADE COMMISSIONER

(One New Zealand Pound equals \$3.60 Canadian)

Auckland, April 15, 1943.—The external trade of New Zealand during 1942 was chiefly marked by an exceptional movement of exports, which reached the record value of £80,875,000. Imports were also on an increased scale, the value totalling £53,670,000, the highest figure since 1938. Details of values, with comparative figures for preceding years, are shown in the following table:—

Summary of New Zealand Trade

	Exports	Imports	Total	Excess of Exports
	Figures in Thousands of Pounds			
1938	£58,376	£55,422	£113,798	£ 2,954
1939	58,049	49,387	107,436	8,662
1940	73,741	48,998	122,739	24,743
1941	67,479	49,167	116,646	18,312
1942	80,875	53,670	134,545	27,206

Substantial arrivals of materials and equipment for war, as well as other essential items, increased production for export, and the lifting of surplus stocks combined to make this creditable showing. But for the surprising maintenance of shipping facilities, however, New Zealand would now be burdened with cumbersome carryovers of meat, wool, and dairy produce.

Imports from Canada fell in value from £3,071,692 in 1941 to £1,994,993 in 1942. This is a decrease of £1,076,699 or 35 per cent and marks the lowest level in the value of purchases from Canada during the war years. Until 1942 the total of £2,888,308, reached in 1940, was the record low, 1941 showing an improvement to £3,071,692. With the entry of Japan into the war came tightened import control, a substantial procurement of supplies on lend lease from the United States, and a marked reduction in available shipping space from America, even for items carrying the highest priority. Exports to Canada, on the other hand, showed an increase, the total value being £3,616,226 as compared with £2,824,168 in 1941. As in the previous two years, the movement of wool chiefly contributed to the increase.

EXPORTS

As mentioned previously, the value of New Zealand exports in 1942 was the highest on record, reaching £80,875,000. They were also the greatest in volume, partly the result of the clearance of certain stocks that had been awaiting shipment. With the exception of frozen mutton and pork, rabbit skins, and grass

seed, the exports of all items increased in value during the year. Those of wool were outstanding, reaching a value of £18,335,625 as compared with £12,613,062 for the previous year, an increase of over £5,722,000; the quantities involved were 934,230 and 648,979 bales respectively. Both butter and cheese exports, despite the reorganization of the industry in changing from all-out cheese production to all-out butter production, showed appreciable increases in both volume and value (butter, £16,481,214 (£15,777,864); and cheese, £11,879,009 (£9,833,861). Frozen lamb, next in importance, was exported to the value of over £12,551,000, an increase of more than £1,586,000 on the figure for 1941. Details of export values for 1942 and 1941 are as follows:—

New Zealand Exports of Principal Commodities

	1941 £ (N.Z.)	1942 £ (N.Z.)
Total	£67,479,000	£80,875,000
Butter	15,777,864	16,481,214
Cheese	9,833,861	11,879,009
Frozen beef	1,704,886	1,966,728
Frozen lamb	10,965,186	12,551,998
Frozen mutton	1,270,165	1,243,100
Frozen pork	1,817,614	1,024,011
Potted and tinned meat	650,550	1,670,154
Sausage casings	804,016	919,333
Wool	12,613,062	18,335,625
Sheepskins with wool	268,623	462,214
Sheepskins without wool	1,738,753	2,346,509
Calfskins	397,156	449,589
Cattle hides	605,895	616,804
Rabbit skins	1,006,238	745,742
Tallow	818,370	1,142,886

Of the value of £18,335,625 for wool, some £2,900,000 is credited to Canada.

IMPORTS

Imports into New Zealand in 1942 were valued at £53,700,000, an increase of approximately £4,503,000, or 9 per cent, over the figure for 1941. Of the items mentioned in the returns, the following showed noteworthy increases in value: wheat, sugar, tea, hosiery, hat hoods and materials, artificial silk piece-goods, and machinery—mainly comprising foodstuffs and raw and semi-raw materials. There were decreases in the imports of barley, whisky, tobacco, seeds, wood-pulp, footwear, rubber products, woollen piece-goods, tin, railway plant, copper wire, fencing wire, sawn timber, cardboard and wallboard, newsprint, printing paper, dyes, insecticides, and brushes. Returns of the principal imports during 1941 and 1942 are as follows:—

New Zealand Imports of Principal Products

	1941 Quantity	Value	1942 Quantity	Value
Raisins and sultanasLb.	12,652,960	£ 430,073	10,669,193	£ 358,374
Fresh fruit				
BananasLb.	23,540,710	116,283	24,157,544	115,609
CitrusLb.	17,693,135	216,922	12,556,789	190,607
BarleyCentals	302,851	138,271	101,033	26,047
WheatBu.	1,120,498	278,885	2,560,084	609,185
SugarCwt.	1,664,496	1,217,529	1,912,530	1,587,865
Vegetable butters and fatsLb.	2,239,405	158,302	768,334	70,437
Cocoa beans, rawLb.	6,265,771	107,021	5,084,068	139,062
TeaLb.	13,185,730	1,499,302	18,535,916	2,306,589
WhiskyGal.	165,088	240,641	103,589	172,443
Tobacco, unmanufacturedLb.	6,047,524	551,795	2,235,749	221,447
Seeds		102,924		78,407
Woodpulp and paper-pulpTon	7,780	169,301	2,040	48,072
Hats, caps, millinery and materials		210,422		235,887
Hosiery		66,211		296,922
Apparel		125,535		113,612

New Zealand Imports of Principal Products—Con.

	1941		1942	
	Quantity	Value	Quantity	Value
Footwear Doz. pr.	41,978	142,591	23,254	51,405
Materials for footwear		134,775		73,604
Minor articles for apparel		259,896		171,207
Plain tablecloths, towels, sheets, etc.		144,678		222,316
Drapery n.e.i.		126,437		148,579
Floor coverings.		489,720		359,855
Cotton and linen piece-goods.		3,370,155		3,041,403
Jute and hessian piece-goods		241,020		276,406
Silk and artificial silk piece-goods.		1,185,577		1,635,322
Woollen piece-goods		1,150,237		971,512
Sewing silks and cottons.		351,331		400,090
Yarns		753,983		609,817
Oils in bulk—Linseed Gal.	791,279	215,351	773,512	259,382
Paints, colours and varnish.		367,864		295,034
Tin—ingots, etc. Cwt.	11,579	213,320	402	8,229
Bolts and nuts. Cwt.	28,538	98,572	18,032	60,274
Brass pipes, plate, etc. Cwt.	5,777	59,712	4,760	56,461
Copper pipes, plate, etc. Cwt.	24,658	198,783	16,280	132,547
Cordage of metal Cwt.	40,974	225,686	38,130	236,853
Meters, measuring, etc., appliances		221,774		187,696
Nails and tacks Cwt.	13,665	40,918	7,227	25,646
Railway and tramway plant		243,885		87,964
Screws for wood and metal threaded screws, etc.		76,344		53,582
Tools and implements (artificers')		235,713		251,954
Copper wire.		161,719		77,477
Fencing wire, barbed Cwt.	39,350	54,719	54,986	94,099
Fencing wire, plain. Cwt.	90,807	133,579	39,090	52,089
Other iron wire Cwt.	323,478	439,624	256,423	391,666
Wire netting Rolls	37,814	32,115	596	1,104
Hardware cutlery and metal manufactures n.e.i.		581,185		506,559
Agricultural implements and machinery.		285,835		154,915
Dairying machinery		108,630		51,339
Electrical machinery and equipment.		1,981,991		1,687,966
Wireless apparatus		216,070		265,355
Engines, gas and oil. No.	2,218	104,097	1,669	110,183
Metal-wood-glass, etc., working machines.		240,209		274,757
Raw rubber and rubber goods, other than tires		366,924		225,411
Leather		256,847		252,495
Timber, sawn. Sup. ft.	13,438,355	238,564	7,243,113	171,823
Earthenware and chinaware		271,175		298,431
Glass plate and sheet. Sq. ft.	5,677,330	174,285	5,972,080	190,430
Glassware		143,659		132,819
Cardboard and wallboard		229,920		47,454
Paperhangings.		76,270		46,911
Printing paper—				
Newsprint. Cwt.	246,221	202,636	47,823	42,788
Other Cwt.	65,258	250,678	37,697	130,860
Other paper		541,287		497,480
Stationery		101,955		125,631
Opticians' instruments and materials		67,808		51,775
Surgical and dental instruments and materials		293,178		245,669
Cream of tartar substitutes. Cwt.	12,430	59,197	8,087	37,124
Dyes.		202,861		139,025
Insecticides and disinfectants.		237,258		144,151
Medicinal preparations and drugs n.e.i.		317,635		342,626
Salt Cwt.	1,083,885	133,344	1,094,784	130,206
Soda ash. Cwt.	228,673	104,226	138,952	64,099
Brushes, etc., and brushmakers' materials		147,020		37,574

It will be noted that, despite an increase in total value of imports, receipts of the majority of the above-listed items show appreciable decreases. The explanation is that the list does not include those supplies required for war, such as metals, structural steel, vehicles, munitions, etc., and the fact that there was a further rise in the average import price.

As is the practice in wartime, complete returns showing countries of origin are not published, and it is therefore not possible to indicate accurately the source of the above imports. It can be reasonably assumed, however, that, in

view of the material aid given this country by the United States in 1942, a greater proportion must be credited to that country and that Britain's proportion is also larger than in 1941. As already reported, imports from Canada fell off considerably. There is evidence also that Australia, in her dangerous position, has shipped less to this market. In 1940, the last year for which detailed trade statistics are available, Great Britain, Australia, the United States and Canada shared in the total importation values with the respective percentages of 46·8, 15·9, 12·4 and 5·9.

IMPORT CONTROL AND PROCUREMENT OF SUPPLIES

In July, 1942, the schedule for the seventh licensing period (1943) was announced and was marked by the further transfer to the "control" list of items in rather short supply in the United Kingdom and Australia. This list includes all requirements that must be imported under the supervision and at the pleasure of the New Zealand Ministry of Supply. For the most part they are procurable from overseas on the basis only of bulk orders and proven essentiality.

The seventh period schedule is also noteworthy for the extension of the validity of 1942 licences to June 30, 1943, and it is now recognized as being of real importance only for items carrying a low degree of essentiality and that are not under strict export control in the countries of supply.

An announcement made in February, 1943, was to the effect that imports from any country arriving after June 30, 1943, will be admitted on special sixth-period licences provided it can be satisfactorily established that the orders for the goods concerned were accepted by the supplier not later than December 31, 1942.

A noteworthy development in the procurement of supplies for this country during the year was the bulk purchasing scheme, instituted at the request of the exporting countries in order that the latter may plan their own programs of manufacture and allocation of materials to New Zealand's best advantage. This scheme was at first opposed by importers in general but, on the Government's assurance that normal channels of trade would be disturbed as little as possible and on proof that the scheme was really to the importers' advantage, it has been accepted in good part. To carry it out certain importers or groups of importers have been made responsible for collating orders for the whole Dominion and for handling the distribution of the goods on their arrival. The individual importers and merchants receive their remuneration, less commission, for their services from the Government, which buys in the supplying country. The Government makes a small charge for these bulk purchases. Typical of the groups is Steel Distributors Ltd., which is responsible for the bulking of orders and distribution of all steel imported. Another is Consolidated Importers Ltd. of New Zealand, which has to do with the trade in artificers' tools, builders' hardware, and other items of this type. Another is a private concern that has been appointed the controlling house in the matter of supplies of wire rope. At first many difficulties beset the importing community, particularly in connection with their agency arrangements with overseas principals, payment of commissions, etc., but these are gradually being ironed out and, the scheme, on the whole, is working smoothly. A scheme similar to this has been followed in respect of certain essential imports into Fiji.

With regard to supplies, both domestic and imported, the Department of Industries and Commerce was reorganized last October. A Supply Council was formed, comprised of government officials and business men prominent in their special spheres. In addition there was established what is known as a Supply Board of three members; one is the Commissioner of Production, another is the Commissioner generally in charge of normal departmental affairs, and the third is the Commissioner of Supply, who is in charge of the procurement of all overseas supplies through the New Zealand Supply Missions in

exporting countries. Material and equipment for the armed forces are obtained through the London Assignment Munition Board.

LEND LEASE

With few exceptions, New Zealand's procurements under lend lease have been limited to goods and materials of a strictly essential nature that have to do directly with war. A few border-line items were asked for under lend lease and were granted; others were refused. The United States Government maintains administrators in New Zealand to investigate all lend-lease applications.

On the reverse account, New Zealand has been providing increasing quantities of food and construction materials, as well as camps, living quarters, services, labour, storage space, naval yard facilities, etc. to the United States forces in this area.

NEW YORK FUR AUCTION SALES

D. S. COLE, SENIOR TRADE COMMISSIONER IN THE UNITED STATES

New York, June 4, 1943.—An analysis of the fur auction sales of one of the leading New York fur companies, held from December through April, indicates that the demand for furs at each successive sale has been increasing and has been accompanied by a corresponding rise in prices, some even reaching ceiling-price limits. As a result of the strong market for skins, created by public demand for fur garments, a considerable amount of the season's fresh crop of both ranched and wild furs has been disposed of. The wild catch in both Canada and the United States is estimated at 30 per cent lower than the average for previous seasons. However, ranched furs did not drop in quantity, and ranched mink increased. The results of certain private sales of furs also indicate strong demand and increased prices. The trimming trade has been slow in buying this season, and consequently the demand from this trade has not been felt to any extent in the market to date.

RANCHED MINK

Although the quantities of ranched mink offered this year have been greater than last season, this fur has been consumed rapidly. The demand for ranched mink is attributed to the strong public demand for chokers and neckpieces rather than for mink coats. The best prices were received in the January sale. The February auction recorded a decline in price, but this was followed by a substantial recovery at the April sale. The top prices obtained for ranched mink at the auction sales were as follows: best quality male skins, \$17 to \$34, and female skins, \$14.25 to \$27.50; good average-quality male skins, \$14.50 to \$21.25, and female skins, \$12 to \$15.75; ordinary male skins, \$10 to \$18, and female skins, \$7 to \$14.

WILD MINK

Collections of wild mink usually offered at the auctions were small. Each successive auction was accompanied by an increase in demand and prices. The price range at the December auction for best quality wild mink was \$4.25 to \$7.75, and at the April auction the range was from \$10.50 to \$14.50.

SILVER FOX

The results of the various silver fox auction sales from December through April have indicated that in nearly all cases the collections offered were good. Competition was keen, and there was a strong demand for all grades. The fur trimmers have been slow to buy the lower grades, and it has only been in recent weeks that they have shown any interest. The strong demand for silver fox pelts has resulted in a steady increase in prices since the December sales.

Prices for platinum silver fox have ranged from \$195 to \$250 for the best quality, while the range for white marked silver fox pelts has been from \$74 to \$115. Pale silver foxes have been selling at \$46 to \$80 for the best quality and at \$34 to \$52 for average quality. Full silvers have brought as high as \$80 for best quality and \$40 for average. Three-quarter silvers have ranged from \$26 to \$39 for top quality, and half-silvers from \$15 to \$28.

RED FOX

The red fox auction sales have shown strong demand. Western Canada red fox has brought from \$11 to \$17; Eastern Canada red fox, from \$9.50 to \$12. At the January sale Kamchatka red fox brought from \$17 to \$19.50. Ranchred red fox has ranged in price from \$12 to \$19, although the high for April sales was only \$14.50. Other United States red fox has ranged from \$6.25 to \$13.50.

GREY FOX

Collections of grey fox offered at auctions have been mediocre. The prices at the sales have ranged from \$2.80 to \$3.50 for the best-grade skins.

CROSS FOX

Most of the collections of cross fox skins offered at auctions have been small. However, sales have been accompanied by a good demand. Prices for specimen silvery cross fox have ranged from \$47 to \$88; other silvery from \$20 to \$34, and ordinary cross fox from \$12 to \$25.

BLUE FOX

There has been a good demand for all types and qualities of blue fox skins. Top prices for silvery blue fox have ranged from \$44 to \$72, and for slightly silvery blue fox from \$32 to \$50.

BEAVER

Although most of the collections of beaver offered at the auctions have been small and mediocre, there has been a keen demand for these skins at the sales. At early auctions the top price was about \$32, and at more recent auctions prices have ranged from \$40 to \$43. In the February auction Alaska and Canadian beaver brought a top price of \$31.50, while medium quality sold at \$18 to \$22, and small skins at \$12 to \$13.75. On the other hand, North-western beaver brought as high as \$33.50.

OTTER

Collections of otter offered at auctions have been small. There has been a good demand at the sales, and prices have shown a steady increase. Alaska otter ranged from \$8.50 to \$13 at early auctions, and from \$11 to \$19 at more recent sales. Canadian otter prices have ranged from \$8.75 to \$16 at early sales, and from \$14 to \$24 at the April auctions. The range for Southern otter has been from \$5 to \$14.

MUSKRAT

Muskrat collections for auction have been good, and there has been a strong demand for them. Price ranges at the sales in January and February did not differ much from the December prices of \$2 to \$2.50 for good quality and from \$1.74 to \$1.90 for average quality. However, the April sales recorded a sharp rise in price, with good furs bringing from \$2.90 to \$3.22 and average furs from \$2.64 to \$2.80.

SKUNK

Collections of skunk furs at the earlier auctions were chiefly those of last season's crop, while at recent sales they have been from the fresh crop. Attendance at the skunk sales has been good, and there has been an excellent response to the sales. Each successive auction has been accompanied by a steady increase in the prices, and at the April sales the prices for the best quality skins ranged from \$3.80 to \$4.70; for good skins, from \$2.80 to \$3.40; and for average skins from \$1.90 to \$2.80.

ERMINES

There has been a good demand for collections of ermine offered at the sales, although they have been mediocre. Prices for ermine have shown a gradual increase at each successive sale. At recent sales Northwestern ermine sold for \$1.80 to \$2.20; Eastern ermine for \$1.36 to \$1.70; and brown ermine for \$2.30 to \$2.60.

RACCOON

Collections of raccoon skins offered have been small; however, sales have been accompanied by a demand for heavy sorts and coat stocks. Prices at all sales have been firm. Best quality raccoon brought from \$10.75 to \$13.75, average skins from \$7 to \$10, and medium skins from \$2.30 to \$3.70.

WOLF

Buyers have not shown a great deal of interest in the collections of wolf skins offered. Top prices have ranged from \$10.50 to \$14.75, with the next grade bringing from \$5.75 to \$9.50. Top prices for Canadian wolf skins have been from \$14 to \$17.50.

WILDCAT

Sales of wildcat pelts have been marked by keen competition, especially for the heavy and semi-heavy grades. Prices for Canadian and Northwestern wildcat have ranged from \$18 to \$22 for the best quality, and from \$11.50 to \$12.50 for the next quality. Prices for wildcat skins from other districts have ranged from \$13 to \$18 for the best skins, and from \$3 to \$6.75 for the lower grades.

MARKET OUTLOOK

If the present demand for furs holds, and the stores and public continue to purchase goods to lay away, a scarcity of a great many items is anticipated in the months of July and August. Coupled with this is the fact that the trimming trade is just beginning to operate on a larger scale than in the early months of this year and will thus create an increased demand, particularly for the lower-quality items.

Should nothing unforeseen happen and no control regulations become necessary between now and the opening of next season, it is expected that there will be a strong market and practically no carryover of United States furs on hand.

POLICY FOR POST-WAR TRADING

From the British Export Gazette

A number of important recommendations regarding post-war trade policy are made by the National General Export Merchants' Group in the course of a report recently submitted to the Government. The Group, it will be recalled, was formed at the request of the Board of Trade in 1940 to assist in a drive for increased exports, and its constituent bodies, the Birmingham, Glasgow, Liverpool, London and Manchester Export Merchants' Groups have, in the aggregate, about 500 members throughout Great Britain.

The general export merchant, who is usually an import merchant as well, says the report, sells and finances a wide variety of goods to those overseas markets in which he specializes. It is his business to study the psychology and needs of his customers. He is constantly alive to competition from other countries and has to be an expert in all matters affecting the trade of the country to which he is selling. It has been estimated that approximately two-thirds of the total pre-war export trade of Great Britain was handled by merchants.

The distribution of commodities requires qualities totally distinct from those associated with production. While, no doubt, there are instances in which direct export by manufacturers is the best procedure—for instances, large-scale orders for plant—the present tendency of many industries to develop along these lines will frequently prove more costly and less efficient than selling through the export merchant, who specializes in the selection and shipment of goods to overseas markets. Manufacturers both large and small have, in fact, found it less costly and more efficient to distribute their products through export merchants and their overseas constituents.

In this connection, attention is drawn to a statement in the pamphlet entitled "A National Policy for Industry", recently published by leading industrialists, namely, "the cost of an efficient and permanent export service is considerable and to many independent firms prohibitive." The cost, however, need not be prohibitive if proper use is made of the export merchant. It is worthy of note that, according to the report for the year 1937, of the Chief Inspector of Factories and Workshops, some 52 per cent of all workers in the factories in 1936 were employed by firms with 250 or less on their pay-rolls, while only 18 per cent were employed in factories with 1,000 and more employees.

Unless it is seriously suggested that the large concerns which before the war employed 18 per cent of the workers are going to be capable after the war of employing 100 per cent, it is evident on that ground alone that the smaller factories will have to be re-established. Moreover, the latter have in the past made a variety of articles which in the aggregate represented a substantial part of our export trade. It would clearly be impracticable for these small factories to set up their own selling organizations all over the world, and would in any case be extremely uneconomical. In view of the foregoing, it will be appreciated that the Group readily accepted the invitation extended to it by Sir Andrew Duncan, when president of the Board of Trade, to contribute its views on the problems which will affect the export trade.

The period between the wars was marked by growing economic belligerency. The struggle for international markets had reached such intensity that the rules which had hitherto been tacitly accepted as governing international competition broke down, and many expedients calculated to give those nations which first used them a temporary advantage over their competitors were adopted without compunction.

The ability of certain countries to undersell the goods of other nations by large margins was dependent, among other things, upon the rate of exchange between their currencies and those of the rest of the world. If, for example, instead of the exchange value of the yen being 1s. 2d. it had been 2s. 4d., all Japanese exports would have cost twice as much in sterling countries. Exchange rates have never been fixed on a scientific principle, and the fetish of the gold basis for such rates can no longer be considered either faultless or proof against subversive influences. The Group, therefore, advocates the introduction of some system designed to eliminate that instability of rates of exchange which was experienced in the past. It suggests, for example, a system of conventionally fixed rates of exchange, such as underlie the principle of the present Lend-Lease Act subscribed to by the United Nations. Exchange controls would be maintained by each participating country, from whose funds all payments would be made in their own national currency to exporters through normal

banking procedure. Importers, in turn, would make payments in their own currency to their national exchange control, the completion of international transactions being by means of a system of contra accounts. The offsetting of accounts need not be bilateral but could be multilateral through national exchange controls meeting in an international exchange, all such cancellation in the international exchange being at the conventionally agreed exchange rates. Effect could be given to such a system now, even though some nations withheld agreement. Such nations would find themselves in the difficult position of having to make bilateral clearing agreements with each of the participating nations and would merely have deprived themselves of the multilateral facilities available to the participating nations. Such a system, besides stabilizing exchanges, would also prevent speculation in exchange and manipulations of national currencies, whether by private individuals or companies. If the principle of a stable internal price level were accepted, then exchange rates between the currencies of the nations could be fixed on the basis of equal buying power, and unequal rates of development within the various nations, which are inevitable, would not disturb international trading relations.

The weaknesses of clearing systems as experienced during the twenty-one years between wars would in this way be eliminated. Those weaknesses were that the clearings were bilateral and did not, therefore, permit of three-cornered trade. Consequently, exports to a country were limited to the value of imports from that country. One of the two countries might be greatly in need of the exports of the other, but the other might have little use for its exports. On a bilateral clearing basis, however, trade between the two had to be restricted to the value of the imports taken by the latter country. Moreover, in some instances available exchange was allocated to certain industries to the exclusion of others.

The Group considers that every nation should be concerned to keep its exports of goods and services to the world in equilibrium with its imports from the world; trade should be multilateral and claims (i.e., purchasing power) acquired on one country should be capable of exchange for claims on others. This proposal places, fairly and squarely upon each nation, the onus of taking payment in imports for its exports. If a nation found it necessary to increase its imports in order to accept payment for its exports, it could do so by lowering its tariffs, either generally or on specific articles, or by other means. If it did not do so, its claims should lapse after a period of years.

It is submitted that trade barriers can only be reduced throughout the world in an amicable and satisfactory manner without arousing a great deal of fear and ill-will, if each nation is left to make its own tariff reductions when and as it thinks best. This it would do in the knowledge that its credits abroad would lapse after a period of years, if it did not facilitate the entry of the required value of imports. It is clearly inequitable that nations should be free to export their goods and demand that payment be made, and yet should be at liberty, by raising their tariffs, to make that payment more difficult or even impossible.

It will be appreciated that in recommending an international Statute of Limitations, the Group envisages that a nett credit shown in the books of a National Exchange Control at the end of a year's accounting period would not be cancelled unless and until it had remained uncleared for an agreed number of years. At the end of each year, credits which had been outstanding for the agreed period would be cancelled under a Statute of Limitations.

It may here be convenient to consider some of the factors which have caused violent disequilibria between Effective Demand and Supply. Human demand for goods is practically unlimited, but that demand only becomes effective in so far as would-be buyers have the money with which to purchase. There are in operation two distinct price systems: that which applies to the prices of manufactured goods and that which applies to the prices of primary products.

The prices at which manufactured goods are sold are fixed by the cost of production plus profit, the profit, in its turn, being determined by competition. The goods will not for long be produced at much less than this price. On the other hand, the agriculturist, for instance, when he has prepared his land and sown his crops, has irretrievably sunk his capital. When his crop is harvested, months later, he may have to sell it at what it will fetch in the world market, even though the price he receives is less than the cost of production.

A graph of price movements of manufactured goods and basic products over the years 1930-1939 shows that the fluctuations in the prices of basic products are far greater and more frequent than the corresponding movements in the prices of manufactured goods. During the five years ending 1932 it has been estimated that the world income from five primary products fell by £1,000,000,000. The loss to the world of such a sum for the purchase of consumer goods would react upon industry and accentuate a "slump."

The major part of humanity is engaged in primary production, and when the ability of primary producers to buy manufactured goods is suddenly curtailed, repercussions upon the entire economic system are great and cumulative. Manufacturing countries, finding that the purchasing power of their primary-producing customers has been curtailed, are themselves obliged to discharge men, so again reducing world purchasing power.

The Group submits that steps should be taken to regulate production, export and import, of such primary products, with the object of making available all that may be required in an orderly manner and preventing rapid and severe fluctuation of price, which has had such a devastating effect on world affairs in the past. In such steps as may be taken, due regard must be had to the development of material resources in undeveloped areas. There are several methods by which a reasonable degree of stability can be assured, some of which are appropriate for one type of commodity and some for others.

Another factor which has tended to reduce world purchasing power below the point at which ready buyers could be found has been the equipment with the latest labour-saving devices of nations whose people have been content to work long hours for very low real wages. Competition of this character is only in its infancy, and will inevitably have to be faced in the post-war period. War will have stimulated industrial development not only in Japan, but also in China, India and elsewhere, and no doubt in the future Africa, too, will be equipped with mass-producing factories.

The conditions which will exist on the cessation of hostilities will depend upon the length of the war and the extent of the collapse of ordered government in the defeated countries. Whilst, therefore, it is impossible to foresee what the conditions will be, it seems at least probable that the urgent problem for the victors will be to prevent starvation and chaos in European and other countries. In many countries there will be a great shortage of all foodstuffs, whilst certain Allied countries will have a heavy surplus. It is also safe to say that all the countries of Europe will be short of raw materials. An immense amount of rebuilding will be necessary. After the re-establishment of transport facilities, the priority in which the various shortages have to be met will probably be food-stuffs and certain essential consumer goods.

The terms on which Nations will be willing to furnish such needs to the devastated countries must be settled. Payment in goods and services for these enormous requirements might well be—as after the last war—unacceptable to the creditors. Many countries will have developed industries of their own, and not welcome the prospect of receiving, over a decade, manufacturers competing with their developing industries. It would seem essential, therefore, that some other method be devised to meet the situation in the immediate post-war period.

It is highly probable that the credits created during the reconstruction period by exports to the distressed countries would have to be cancelled under the formula advocated in Section 6, unless the seeds of war—unpayable debts—are again to be sown. It might well be, however, that the distressed countries would be able, in the later years of the period, substantially to reduce by acceptable exports the very heavy credits which might have to be given to them in the first year or two, so that only the uncleared balances would have to be cancelled.

It must not be overlooked that both Allied and Axis-controlled countries, so far as they have been industrially developed for war purposes, will have expanded their manufacturing potentialities and may be to a large extent in a position to export consumer and capital goods, thus creating a new source of competition in the world's markets.

The Group fully recognizes the advantages that can accrue from Combines and International Cartels, but is also conscious of some inherent dangers. Its view is that Combines and Cartels should come under some definite form of legislation, having for its object the protection of the Consumer. Regard should be had to the costs of the low producers and not to providing a profitable margin to the dearest producer in a combined group.

Much as a policy of standardization has to recommend it, yet it would be unfortunate if standards, patterns, or styles, were adopted without the fullest consultation with the export trade. Foreign markets are conservative, but often have sound reasons for what may appear to be unreasonable demands. The established merchant exporter, however, is generally fully aware of these reasons, though the manufacturer may not be so well informed. His primary concern is to complete certain orders to a certain specification. The merchant is aware of the extent to which the local demand is also being met by other equally keen supplying countries, and he is in the best position to say, if standards are proposed, whether they would be acceptable in the markets which he serves, and, if not, what modifications would be necessary to avoid injuring the trade.

The orderly marketing or disposal of the huge surplus stocks which will be available after the war is, in the opinion of the Group, a matter of paramount importance, and should be dealt with, in co-operation, by the Government, export and home merchants, labour and manufacturers.

The Group is most anxious that practical measures should be formulated to raise the standard of living in the backward countries and in particular in certain of the Colonies. The opening up of communications in undeveloped mineral and tropical agricultural areas is a logical step. By such means, low standard countries can develop their "boxed in" resources and thus be enabled to exchange their products for the manufactures of industrialized countries. This objective would be of little avail unless accompanied by adequate, modern overseas and internal transport facilities.

The disposal of war surpluses may furnish an opportunity to create new markets for British goods. The Group suggests the presentation to undeveloped countries of, for example, road-making equipment, lorries or other means of transport, where the provision of transport facilities would make possible further development and the countries could not otherwise afford them.

The Group urges that special consideration be given to the extension of air transport, so that communications be established between Britain and all parts of the world by regular services, controlled, when appropriate, by British-owned companies, and that, in particular, steps be taken to link up outlying parts of the Empire. It is hoped, therefore, that steps will be taken to develop communications both by sea and by air, not only within the Empire but with those centres where the opening up of natural resources may bring new benefits to mankind.

CONTROL OF EXPORTS FROM CANADA

ADDITION TO LIST OF PRODUCTS AFFECTED

By Order in Council P.C. 4599, effective June 10, 1943, barley malt, included in Group 1 (Agricultural and Vegetable Products) is added to the list of products the exportation of which is prohibited except under permit from the Export Permit Branch, Department of Trade and Commerce, Ottawa.

TARIFF CHANGES AND TRADE REGULATIONS

New Zealand

IMPORT LICENCES FOR PENS AND PENCILS

Mr. C. B. Birkett, Acting Trade Commissioner at Auckland, writes that, under an amendment to New Zealand import control regulations issued on March 25, 1943, the allocation of imports of pens and pencils from the United Kingdom for 1943 has been increased from 100 to 150 per cent of the value of the applicant's imports of similar goods from all sources in 1938. The notice states that licences under the additional allocation will be available for imports from Canada.

St. Kitts-Nevis

DUTY ON RUBBER FOOTWEAR REDUCED

A resolution of the St. Kitts-Nevis Legislative Council of April 12, 1943, reduced the British preferential tariff on rubber boots and shoes and canvas boots and shoes with rubber soles from 10 per cent to 5 per cent ad valorem, and the general tariff from 10 per cent plus 1s. per pair to 10 per cent ad valorem. At the same time the British preferential tariff on leather boots and shoes with rubber soles was reduced from 10 per cent to 5 per cent ad valorem, and the general tariff from 10 per cent plus 2s. per pair to 10 per cent ad valorem.

British Guiana

IMPORTATION OF ALL GOODS SUBJECT TO QUOTA

The Controller for Supplies for British Guiana notified importers on May 14 that it was necessary to regulate imports of merchandise of all classes from all sources in relation to minimum essential requirements. All imports, therefore, except those for which allocations have already been made, will in future be restricted to quotas based on imports during 1941 and 1942 in relation to normal pre-war imports and minimum essential requirements. Until the importer supplies information respecting imports during 1941 and 1942 with date of importation, bill-of-entry number and country of origin, and also orders already licensed and outstanding, no further import licences, it is stated, would be granted for any commodities (other than specialized machinery parts or equipment) which are not already on a quota basis. Consideration would, however, be given to an increased quota basis if imports of any commodity during 1941 and 1942 were exceptionally low as compared with previous years. The notice also states that licences for goods already on a quota basis would be dealt with as formerly, and that no licences would be issued for goods already being bulk-purchased on government account.

ESTIMATES REQUIRED OF IMPORTS OF GLASS BOTTLES

Importers of glass bottles were given until April 10, 1943, to furnish an estimate of their essential import requirements of all types for the year and to distinguish between bottles which could be obtained from the United States,

Canada or other sources and those which could be obtained only from the United Kingdom. Corresponding figures of imports during either 1941 or 1942 were requested.

IMPORT REGULATIONS OF BREAKFAST CEREALS AND SALT FROM CANADA

The British Guiana Controller of Supplies announced on May 15 that the importation of breakfast cereals from Canada would be permitted on a limited quota basis, and on May 19 he announced that no licences would be issued until further notice for the importation of salt from Canada.

IMPORT QUOTAS FOR BOOTS AND SHOES FROM CANADA

Notice was given May 17, 1943, that the Canadian quota of leather boots and shoes for the first half of 1943 had been fully allocated and that orders already placed and awaiting export release exceeded the Canadian quota for the second half of 1943.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 14, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 14, 1943, and for the week ending Monday, June 7, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 7	Nominal Quotations in Montreal Week ending June 14	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2283	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2797	.2797	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5852	.5852	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

COMMERCIAL INTELLIGENCE SERVICE

C. M. CROFT, Director

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PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, and British Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

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Egypt

RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. McCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

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South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

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London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1. (Territory includes Home Counties, Southeastern Counties, and East Anglia; also **British** West Africa.) *Cable address, Sleighing, London.*

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London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

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New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

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Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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AMENDED PROCEDURE FOR TRANSHIPMENT AT BARBADOS

J. L. MUTTER, CANADIAN TRADE COMMISSIONER

Port of Spain, June 9, 1943.—Since publication in *Commercial Intelligence Journal* No. 2039 (February 27, 1943) of a notice concerning the documentary procedure for transshipment at Barbados of cargoes for the Leeward and Windward Islands, the practice has been somewhat simplified, and the attention of Canadian exporters to these colonies is therefore directed to the following points based upon information just received from the West Indies Schooner Pool Authority at Bridgetown, Barbados:—

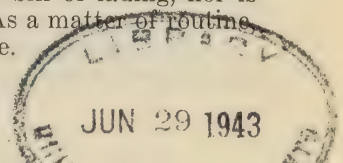
1. The Governments of the Windward and Leeward Islands have guaranteed indemnification to the steamship companies for any loss sustained through delivery of cargo to the Pool Authority without production of bills of lading.

2. The steamship companies deliver cargo to the Pool Authority without the production of documents.

3. The Pool Authority, through its appointed agents (see Paragraph 7), ships cargo as quickly as possible to the island of destination. All cargo is consigned to the Competent Authority of the island in question.

4. The consignee obtains his bills of lading from the bank in the usual manner and presents them to the Competent Authority. Upon payment of freight and transshipment charges, he secures delivery of his goods.

5. The Pool Authority does not require a copy of the bill of lading, nor is it necessary to advise him that shipment has been made. As a matter of routine, all cargo is forwarded to destination as quickly as possible.



6. Shippers should insure cargo to final destination and obtain an unlimited transshipment clause. It is impossible for the Government of Barbados to cover goods against war risk while they remain in warehouse or to guarantee that all goods will be shipped within fifteen days.

7. The agents appointed to tranship cargo for the Pool Authority are:—

Antigua and Montserrat.....	Robert Thom Ltd.
St. Kitts.....	Gardiner, Austin & Co. Ltd.
Dominica and St. Vincent.....	S. P. Musson Son & Co. Ltd.
Grenada and St. Lucia.....	Da Costa & Co. Ltd.

Canadian shippers should find little difference between the system outlined above and the former method of transshipment. They should send their documents to the bank in the island of destination, so that their interests will be fully protected. The new procedure saves time in sorting cargo by marks prior to shipment and permits of cargo being forwarded to destination without the delay involved under the former system whereby consignees in the various islands were required to send bills of lading to their agents in Barbados.

ECONOMIC CONDITIONS IN THE NORTH OF ENGLAND IN 1942

I

A. E. BRYAN, CANADIAN TRADE COMMISSIONER

Liverpool, May 15, 1943.—From the point of view of Canadian trade with this territory, the year 1942 has in many ways been rather uneventful. The import of goods from Canada has continued, although under changed conditions, the British Government, through the medium of its "controls", being the actual buyer, and the importers and merchants, as known before the war, being now merely distributors, having nothing to do with the goods until they arrive safely in this country. The main lines of procedure with respect to distribution were formulated in the earlier years of the war, and there have been only minor changes during 1942, which were governed by developments in the war situation.

Owing to the publication of official statistics being suspended, detailed information concerning the trade of the United Kingdom with overseas markets is no longer available, but it may be assumed that Liverpool and other Merseyside ports are handling a greater percentage of the total overseas trade of the country than before the war.

TELESCOPING OF INDUSTRY

During 1942 the process of telescoping plants engaged in making goods for civilian consumption and export was continued in order to facilitate expansion in war production. By the end of the year the output of consumer goods was confined to essentials, the most of which were made to utility specifications. As a result of this concentration of industry, some 250,000 workers and 137,000,000 square feet of factory space were released for war purposes.

COTTON INDUSTRY

The cotton industry was almost entirely devoted to meeting the needs of the fighting services, with the result that exports were much restricted. During the past twelve months there has been a greater extension of control and supervision in the industry, and towards the end of March the Cotton Controller took over the responsibility for supplies and consumption of raw cotton formerly exercised by a semi-official organization that had been formed for this purpose. The production and distribution of goods were also regulated by the Controller.

As a result of the concentration of production regulations effected in 1941, the output of yarn and cloth was only about 60 per cent of capacity. No large-

scale development was possible owing to shortage of labour. Steps were taken later to relieve this shortage, and to this end the cotton industry was placed on an equal wartime footing with munitions, the Essential Work Order being made applicable to the weaving branch of the industry as it had been applied to the spinning section in October of 1941. As a result of these measures, and with considerable overtime, the output improved, and by the beginning of 1942 production was said to be about 15 per cent below essential requirements. However, the situation continued to improve, and by June production reached record levels, although still below the desired volume. For cloth particularly the demand far exceeded the supply, especially in the finer materials. In April controlled prices were introduced for cloth, which affected about 80 per cent of weaving production.

In the nine months ended September, 1942, shipments of export yarns amounted to 14,239,000 pounds as compared with 22,995,000 pounds in the same period of 1941. Exports of cloth during the same period were 369,420,000 square yards as against 556,629,000 square yards. After protracted negotiations, the operatives in both the spinning and weaving sections of the industry were granted a flat increase in wages of 5s. a week.

Probably the most important development during the year was the establishment by the industry as a whole of the Cotton Industry Conference, which sought active participation in efforts directed toward the formulation of fully representative proposals dealing with the present and future organization and direction of the industry, with particular emphasis on the maintenance of private enterprise after the war. (This was the subject of a report published in *Commercial Intelligence Journal* No. 2051: May 22, 1943, page 420.)

WOOLLEN INDUSTRY

Like most other industries, the wool textile trade has operated under strict government control during the past year, with the result that production for ordinary civilian requirements has been further curtailed. Rationing has been tightened up, and production directed mainly towards meeting: (1) military requirements, (2) the demand for utility cloth, (3) approved exports, and (4) non-utility civilian goods.

As for overseas business, exporters of wool textiles have had to cope with various problems during the year, including the loss of markets in enemy and enemy-occupied countries and the difficulty of obtaining new markets elsewhere. Some compensation derived from the inability of enemy countries to supply certain of their pre-war customers with woollen goods, with the result that, during the twelve months ended March, 1942, shipments from Great Britain were over 98,000,000 square yards, which was greater than the average pre-war figure. With the passing of the lease-lend legislation in the United States, a definite change of policy became effective. Labour and materials in the United Kingdom were diverted to an appreciable extent from export trade to national needs, and on February 1, 1942, a new system of market allocations and of licensing for wool textile exports came into force that brought about a marked reduction in overseas business.

Total exports of woollen textiles in 1942 amounted to 73,246,000 square yards, made up of 47,800,000 square yards of woollens and 25,446,000 square yards of worsteds, as compared with a total of 86,339,000 square yards, comprising 58,195,000 square yards of woollens and 28,144,000 square yards of worsteds, in 1941.

In view of the downward trend in exports during 1942 and the restrictions now in force, a further appreciable reduction in total shipments is expected in 1943. Similarly the exports of tops and yarns are not much more than one-third of what they were prior to the war. The total for 1942 was 649,000 pounds of

woollen yarns, 8,748,000 pounds of worsted yarns and 11,754,000 pounds of tops as against 1,186,000 pounds; 10,182,000 pounds and 16,169,000 pounds respectively in 1941.

A very satisfactory agreement was reached with Canada with the object of ensuring the most efficient use of supplies of wool yarns and woven wool tissues obtained from this country. The Canadian Department of Munitions and Supply has recently appointed its own representative in Bradford to facilitate and control exports of woven wool tissues to Canada.

ARTIFICIAL SILK INDUSTRY

Throughout the year the rayon industry has operated to the capacity permitted by the authorities, but is now rigidly controlled. For the domestic market specifications of utility rayon fabrics have been issued, and such goods are now part of the planned production policy regulated by the Cotton Board and the Cotton Control. However, from the limited range of yarns permitted, a very satisfactory variety of cloths is produced. The limits placed on the output of a diversity of yarns has released considerable labour and material and has reduced costs while at the same time providing a wide selection of good materials. Staple fibre fabrics have become popular. Crease-resisting finishes recently developed have been used to a great extent. The utility scheme, which was one of the features last year, has given general satisfaction under present conditions, but the trade as a whole is somewhat concerned over the effect of restrictions after the war. The largest supply of rayon and staple fibre was directed to the knitting trade. Hosiery manufacturers experienced considerable difficulty owing to the necessity of supplying seamless stockings. Considerable quantities of rayon or staple fibre have been used in place of wool in the manufacture of underwear.

Despite the shortage of rayon, there have been substantial exports of yarn to Canada, Argentina and Australia, while piece-goods are still exported to the Dominions and West Africa. Prices remained steady throughout the year.

COAL INDUSTRY

The supply of sufficient coal for all essential purposes has been one of the most serious difficulties with which the Government has had to contend during the past twelve months. Manpower and its most efficient employment were the crux of the problem. National stocks of coal had been reduced from 31,000,000 tons to 14,000,000, while production was stationary and consumption was expanding, and it seemed as if there would be a shortage of 14,500,000 tons for the approaching winter months.

As corrective measures the Government provided more miners and restricted the supply of house coal, in addition to enforcing economy measures for all other types of fuel, with the result that the number of wage-earners in the industry during 1942 averaged approximately 710,000 as compared with 698,000 in 1941 and a pre-war average of 765,000. An additional incentive to greater output was the increased wages offered of 2s. 6d. per shift as from June 1, and after September 5 a bonus of 3d. per shift for every complete one per cent increase in output above the standard figure fixed for each district.

The economy campaign, which aimed at saving at least 4,000,000 tons of coal, was an outstanding success, the Minister of Fuel announcing in mid-February that the objective had been almost attained. Despite the fact that owing to labour disputes, there was an estimated loss of approximately 900,000 tons in national output as compared with only 360,000 tons for the same reason in the previous year, production amounted to approximately 212,500,000 tons as compared with 213,000,000 tons during the previous twelve months.

IRON AND STEEL INDUSTRY

Despite difficulties, the output of iron and steel was increased in 1942 to meet the enormous demand from the munition industries. Imports from the United States and Canada were less, owing to the shipping position, and this shortage was made up from home production. According to the *Iron & Coal Trades' Review*, the steel works making heavy materials for the shipbuilding and structural steel trades were particularly busy, except for an occasional drop in the demand for large sizes in joists and sections. The demand for steel plates for the shipbuilding, railways, tank and other trades was heavy. The steel sheet trade was also active, although there was a slackening in March and April when, owing to a shortage of spelter, the manufacture of galvanized sheets was prohibited except for special orders. Although the demand for ordinary carbon steels has continued strong, there has been an increased need for alloy steels. Manufacturing difficulties arising from the loss of former sources of raw materials in the Far East had to be overcome largely by changing the specifications where substitutes could be employed. The use of electric steel-milling processes has made rapid strides in the United Kingdom. New high-frequency furnaces have been installed that have greatly increased the output of alloy steels for aircraft parts, tanks, heavy armaments and other weapons, in addition, of course, to engineering tools. Except for minor adjustments, prices have remained unchanged since November, 1940, despite increases in costs of production.

SHIPBUILDING

Although no figures of launchings have been published, it is generally known that the output of naval and merchant ships in British yards was considerably greater last year than in 1941.

ENGINEERING INDUSTRIES

All branches of the engineering industries in this territory were operating at their full capacity during the year to meet the urgent and ever-growing demands of the fighting forces for weapons, equipment and munitions. Every effort has been made to ensure the most efficient and productive use of the manpower and plant in the industry with a view to achieving maximum output. Due to the increasing diversion of raw material supplies and to other factors, the export trade in engineering products during 1942 was generally much reduced from the levels of the previous two years, but the actual difference has not proved as severe as many anticipated.

CHEMICAL INDUSTRY

While most sections of the chemical industry were fully occupied during the year, the volume of ordinary commercial business was less, especially during the last few months, due for the most part to reduced export outlets resulting from raw material and shipping problems, extension of export licensing regulations, and the introduction and intensification of wartime import controls in those markets, such as India and South Africa, normally very important purchasers of a variety of manufactured chemicals. Control by the Ministry of Supply, of course, continued in respect of supplies of basic raw materials used in the industry. In manufactured goods, paint and varnishes became subject to the miscellaneous chemical control in the early months, preparatory to the establishment, under the Board of Trade, of a proposed scheme of concentration for the whole industry in order to release manpower urgently needed for the war effort. Under this scheme, which includes provision of compensation to closed plants, raw materials are to be reserved to nucleus or approved firms and

planned production arrangements enforced. The need for keeping post-war plans under constant review has been fully appreciated, since the products of this industry, as in the past, must continue to be a vital factor in international trade after the war.

LUMBER INDUSTRY

In normal times 95 per cent of this country's softwood requirements and 80 per cent of its hardwood timber is imported from overseas, but since the outbreak of war, and as a result of it, the production of home-grown timber has assumed an importance which it has not held for 150 years.

It was natural that, at the outbreak of hostilities, attention should be directed to the timber industry, which up to that time was one of the greatest consumers of shipping space. When European sources of supply of timber were cut off, imports of softwoods came almost entirely from Canada. This involved the use of tonnage that was urgently required for munitions of war. It was therefore decided that the country would have to depend more on home-produced timber for its requirements rather than on imported woods, and much effort has been expended on the development of the local industry. Although no actual figures are available, it is known that in 1942 the production of home-grown timber exceeded all records.

In 1939 and 1940 there was a slow but steady increase in volume, while in 1941 production was said to be seven times greater than in the previous year, sufficient, it was stated, to supply 50 per cent of the entire consumption of the country. Now, at the end of 1942, it is reported that home-grown sawn woods are sufficient to take care of 75 per cent of requirements in terms of shipping tons. Of course, total consumption to-day, even considering the heavy requirements of war conditions, is probably less than 50 per cent of the pre-war figure, due to the restrictive measures affecting all civilian requirements.

The Deputy Director of Home Grown Timber stated recently that sawn hardwood output was 126 per cent of the objective set early in 1942, while sawn softwoods exceeded the objective by 7 per cent. Similarly, sawn mining timber exceeded the figure set by 14 per cent, while round mining timber output was only 1 per cent under the objective. It is also stated that production of wagon scantlings in 1942 amounted to 1,800,000 cubic feet. It is apparent, therefore, that the output of home-grown timber in Great Britain has exceeded all expectations.

In order to reduce the requirements of shipping space still further, it is the intention to increase production of home-grown timber again this year to the point where another 500,000 tons of shipping space can be released for more essential needs.

Hardwoods have had to take the place of softwoods to a large extent. Fine English hardwoods are being used for purposes that would only call for perhaps No. 2 common or better softwoods in Canada, but of course this country's resources in hardwoods are much larger than in softwoods, and in the South of England, where hardwoods predominate, there has been great difficulty in securing home-grown softwoods for prompt delivery. The greatest percentage of the softwoods comes from the Northern areas, and much of the timber produced there is shipped to the Midlands and the London area.

Although it is impossible to say how much further production of domestic timber can be expanded, the general opinion is that supplies of home-grown hardwoods and softwoods will be ample to last this country until the end of the war. In view of the importance of reserving additional shipping space for war purposes, some members of the trade feel that it is quite possible to increase production to the point where it will be only necessary to bring in about 10 per cent of their requirements from abroad.

One of the greatest difficulties in expanding production at home is the shortage of labour, but this has been partially solved by the employment of women. In May of last year the first women's training camp was established, and the experiment proved a signal success.

One of the main features of the import lumber trade during the past year was the resumption of the imports of Russian wood. The first shipments from Russia arrived early in the autumn of 1941, but on account of increased shipments of munitions and supplies to North Russian ports, an opportunity has been afforded for sending some of these ships back to England loaded with Russian timber. It is difficult to estimate how much timber has actually been imported from Russia so far.

CLOTHING

Utility clothing now amounts to 80 per cent of production for civilian purposes, and prices of clothing, cloth and qualities thereof are controlled. During the six months ended July last the index figure of clothing prices showed an increase of 95 per cent above the level of September, 1939, but during the last six months of the year there was a drop of 12 per cent. It is estimated that during the first year of clothes rationing there was a saving of 250,000 tons of shipping space, while nearly 400,000 workers were released for the services and the various war industries.

On June 1, 1942, the clothing ration was reduced from 66 to 60 coupons for twelve months. Manual workers receive 10 extra coupons, while children under 17 are given from 10 to 30 additional coupons, according to age and size. Certain readjustments were made during the year in coupon values, while on October 11 towels were included in the clothing ration.

FINANCIAL BUDGET FOR IRELAND, 1943-44

E. L. McCOLL, CANADIAN TRADE COMMISSIONER

Dublin, May 18, 1943.—The budget introduced in Dail Eireann on May 5 has met with a favourable reception in all sections of the country. It is described as "a standstill budget", there being no provision in it for new taxation.

REVENUE AND EXPENDITURE

Expenditure for 1943-44 is estimated at £45,137,000, and revenue from all sources at £41,582,000. As the limit of taxation appears to have been reached in this country, it is proposed to bridge the gap between these amounts by borrowing £3,555,000.

Various schemes to provide employment require £5,000,000; £7,500,000 is to be spent on social services, an increase of £500,000 in this item since last year; educational services are to cost £5,312,000; and direct government subsidies will account for £3,644,000, which is £567,000 more than last year. A large proportion of this last-mentioned sum will serve to mitigate the effect of the high cost of essential foodstuffs.

BUDGET FOR THE PRECEDING YEAR

The estimated expenditure for the last financial year was £42,923,000, which was based on a tax revenue of £32,295,000, a non-tax revenue of £6,070,000, and a deficit of £4,558,000. The deficit on March 31, 1943, however, amounting to only £2,145,000, was due to the fact that both tax and non-tax revenue exceeded expectations, and that central fund services, supply services, and capital expenditure totalled less than the sum budgeted for. Customs yielded £395,000 in addition to the £10,265,000 estimated, and the tobacco duties returned £7,969,000,

an excess of £500,000 over the estimated figure. Revenue from the duties on clothing and apparel, which was expected to decline, also showed an increase, and beer and spirits gave a total figure of £5,219,000, which is 71 per cent of the total revenue from excise.

Special emergency schemes during the past fiscal year absorbed the sum of £384,000, while £163,000 was spent in an effort to provide employment. The fuel subsidy cost £82,000, afforestation accounted for £51,000, and defence expenditure amounted to £493,000.

The yield from income tax, together with the surtax, exceeded, for the first time in the history of the State, the sum of £10,000,000. Income tax, at the rate of 7s. 6d. in the pound, remained unchanged, but some concessions in the corporation profits tax were favourably received by the business community, as this tax had been found to have an adverse effect on commercial undertakings.

CAPITAL LIABILITIES

Since the beginning of the emergency period, Exchequer deficits have totalled £12,101,000, all of which was met by borrowing. Capital liabilities amounted on March 31, 1943, to £91,938,000, an increase of £1,768,000. Capital assets, mainly cash balances, declined by £1,444,000. The net increase during the year to the capital burden of the State is thus £3,212,000.

CENTRAL BANK

Referring to the newly created Central Bank of Ireland as an institution that was necessary under modern conditions to ensure co-operation in external monetary affairs, the Minister stated that, if economic progress was to be resumed after the war, Irish concern with external trade and, in consequence, with international currency stability, would be greater than before.

Despite obstacles to trade resulting from wartime conditions visible imports since the beginning of hostilities have exceeded visible exports by £17,300,000, in value.

AUSTRALIAN WHEAT AND FLOUR

Mr. Frederick Palmer, Canadian Trade Commissioner at Melbourne, cabled on June 16 regarding the wheat and flour situation in Australia as follows:—

Unsold stocks of wheat in Australia at June 1 were approximately 200,000,000 bushels, with no change in rate of export since last cable. Australian consumption of wheat as stock feed is increasing. Weather conditions in New South Wales are reported good, but all other states are badly in need of rain. The wheat acreage reduction is now expected to reach 25 per cent as compared with last year, including compulsory reduction in West Australia of one-third.

BUILDING INDUSTRY IN SOUTH AFRICA

J. C. MACGILLIVRAY, CANADIAN TRADE COMMISSIONER

Cape Town, April 23, 1943.—Owing to the suspension of normal building activity in South Africa, the shortage of dwelling-houses in many parts of the Union has become a problem of some magnitude. In the Cape area, where 400 new houses are needed every year to provide for the natural increase in population, it has been estimated that at least 20,000 new houses are currently required, growing congestion having long since overtaken what little new building has been done since the outbreak of the war. Apart from the needs arising from the natural increase, South Africa, and the coastal areas in particular, has

been called upon to take care of large numbers of refugees and evacuees from the Near, Middle and Far East, which has added materially to the housing problem.

The demand continues to increase, and the shortage is so marked that dwellings are changing hands at prices greatly above their pre-war values. It has become almost impossible to rent houses, with the result that new arrivals or tenants who receive notice to vacate premises are forced to purchase at inflated prices in order to keep a roof over their heads. Owners are offered high profits as an inducement to sell, but those who do so find that their profits are more than swallowed up in buying other houses to replace those they have sold. The land sales profit tax, under which a person who sells fixed property has to pay one-third of his profit to the Government if he bought the property after September, 1939, and two-thirds if he bought it after February, 1942, has not prevented the inflation of real estate values.

In view of the congestion, representations have been made to the authorities regarding relaxation of the building restrictions. The shortage of materials and labour would in any circumstances, however, prevent any extensive new construction at present. There has been some easing of the regulations in the Cape Peninsula, and recently a number of permits have been issued, mostly for houses priced at up to £1,500. No licences are granted for the construction of what are termed "luxury" houses. The few dwellings that are being built at present are without electrical equipment. They have no interior doors, except for private rooms, such as bathrooms and bedrooms, and garages, if built, are also without doors, nor are there any locks except on exterior doors.

METHODS OF ROOF CONSTRUCTION

In an attempt to overcome the building-material shortage, the Union Building Controller recently announced the outcome of a nation-wide competition among architects and others, the objective being the working out of a practical method for the construction of roofs without timber. A winning design has now been announced that specifies simple monolithic trusses in the form of cranked beams. These trusses support light slabs of concrete, forming an attractive open ceiling for a room and carrying ordinary tiles above. Alternatively, for cheaper construction, a cement slab is used which serves for both tiling and ceiling. The handicap to this latter is that it has no insulating air space and would probably be unsuitable in the coastal areas owing to moisture condensation. The difficulty of constructing valleys is said to have been overcome, and accordingly a number of plans can be used, limited only by the span, none of which calls for any timber.

A second plan embodies a well designed reinforced concrete truss for a section of about thirty feet carrying a corrugated asbestos roof. In this design also wood is completely eliminated.

DEPARTMENTAL REPORT

A recent article in the official journal of the Department of Commerce and Industries deals with the general subject of building control and the building industry. It states that since the outbreak of war approximately £20,000,000 has been expended in erecting defence works and buildings, all of which absorbed a large quantity of material and labour and made necessary the imposition of restrictions on the private building industry in order that wartime requirements might be met without hindrance. This defence building program, coupled with the decrease in the imports of supplies from abroad, has placed a severe strain on local stocks of raw material, and two items in particular, both of which are important, are very scarce; these are electrical material and lumber.

Apart from the housing shortage, the question of employment is under consideration. It is estimated that there are some 16,000 artisans working in the building industry in South Africa, about 6,000 of whom are now engaged on defence projects. As this work gradually falls off, the report adds, every effort must be made to provide employment for these building-trade artisans and, if materials are not available, this labour will be idle. Consequently, if materials cannot be imported, steps must be taken to produce substitutes locally.

Reference is first of all made to roofs and floors. For the former, a roof truss composed of reinforced concrete is suggested, which would be set out in a concrete manufacturer's yard and assembled on the site in a similar manner to parts of a meccano set. It is pointed out that it is obvious that concrete members cannot be cut and trimmed like wood, and therefore the roof spans of houses for which the sectional concrete trusses are to be used are more limited than where wood is utilized.

As regards floors, the shortage of timber necessitates, for the time being, the elimination of suspension wood floors, that is to say, the type of boarded floor suspended on joists that are in turn supported on bearers and wall-plates. Wood blocks or parquet flooring can be used so long as they continue to be obtainable, because for them no wooden support is required. In addition it is hoped that it will shortly be possible to obtain substitutes for wood, either in the form of tiling or cast *in situ*. This latter, it is believed, will be particularly useful for the cheaper type of dwelling.

BUILDING ACCESSORIES PRODUCED LOCALLY

In addition to steel window-frames, it is now possible to obtain a composite window of concrete and steel, that is, a window with concrete frames and steel sashes, which would also be suitable, more particularly for the cheaper houses. A window-frame made of a wood substitute is also almost ready to be put on the market, and there are said to be a number of strong points in its favour.

South African manufacturers are also about to begin producing cast-iron porcelain-enamel baths, basins and sinks. Specimen units that have been turned out are reported to be excellent substitutes for the imported product that formerly monopolized this market. It is added, however, that the output will be on a comparatively limited scale.

Apart from those of cast iron, the local manufacture of baths, basins and sinks in terrazzo has been under way for some time and they are well favoured. In many areas water-borne sanitation is essential, and it is therefore necessary to increase the present stock of imported pedestal closets. It is still too early to make a definite announcement regarding the production of a locally made article with either cane-glazed or salt-glazed finish, but the outlook is said to be promising. Flushing cisterns, both in cast iron and asbestos, are now being made in South Africa.

Several items of builders' hardware are also being manufactured locally, including cement stays and fasteners, hinges and pivots; the manufacture of mortice locks has also begun. With regard to electrical material, the domestic production of conduit and cable has shown considerable development, but there is still a comparative shortage of vital accessories. Efforts are being made by the Controller of Building Materials to ensure local production to the fullest possible extent, in the full realization that no building is complete without this essential equipment.

CONSTRUCTION OF MODEL HOUSE

In collaboration with the Central Housing Board, designs have now been so formulated as to permit of a large number of sub-economic houses proceeding

to the building stage. This type of house may be defined as a dwelling erected under a housing scheme by a municipality or similar governing body and leased to the poorer classes of the population at a nominal rental.

There is also a considerable demand for the small house costing about £1,500, and it is to this type in particular that the Building Control desires to give priority by utilizing to a great extent South African manufactured articles in its construction. A model house of this type is to be erected in Johannesburg. It will be constructed with a roof of concrete trusses covered with tiles, a substitute wood floor and different types of locally manufactured windows. The fittings, including the bath, basin, sink, and other items of hardware, will be home produced. The underlying purpose of the authorities is to demonstrate that a house of this description makes a completely satisfactory dwelling-place. It is pointed out that explanations and plans do not appeal to the layman, and that he must be able to inspect this type of dwelling before prejudices against it can be removed.

FURTHER INVESTIGATIONS PENDING

In conclusion, the report referred to emphasizes that state control of the building industry in South Africa was necessary in order to protect defence building requirements, but apart from this the purpose of the control authorities is to encourage building along the right lines and with the material available. It is not suggested that the model house to be built must be slavishly followed either in plan or design. This is not necessary, as all sorts of modifications are possible. The idea is, however, to produce a model dwelling as an indication of what can be produced with South African materials, and it is hoped that the potential householder's architect will be able to evolve something better. The erection of this model house is only the beginning of the investigation into the whole subject being carried out by the Building Control. The Controller proposes to go further than this in investigating different types of constructional methods in order to facilitate the use of substitutes for those materials that are scarce. It is pointed out that the pre-war approach to building problems must be reconsidered in view of the present stringency of materials, and the problem must be faced in the light of how to build, and build well, with the materials that are available.

UNITED STATES CEILING PRICES FOR WESTERN RED CEDAR

L. H. AUSMAN, ASSISTANT TRADE COMMISSIONER

New York, June 14, 1943.—Effective June 12, specific dollars-and-cents ceiling prices were applied to all shipments of Western red cedar lumber originating at mills in the United States, regardless of who the seller is. These prices will not apply to sales out of distribution-yard stock.

The new prices, established under Maximum Price Regulation No. 402, will cover all Western red cedar lumber produced in those parts of Oregon, Washington and Canada lying west of the Cascade Mountains and that from California and Alaska. The maximum price of Canadian cedar is f.o.b. mill plus a transportation allowance which shall not be greater than if the shipment had originated at Seattle, Washington.

The new specific ceilings, which supersede the prices charged under the General Maximum Price Regulation, are based on the March, 1942, price lists of seven United States companies producing two-thirds of the nation's Western red cedar lumber output. Some upward adjustments from these basic quotations have been made in prices of such items as tank stock, moulding, lattice and log-cabin siding, which is urgently needed in the war program. On the other hand,

there have been reductions in the top prices of other items such as bevel bungalow, special, drop and rustic siding, and gutter and shop lumber.

In determining the new ceilings, due consideration was given to all factors in the production program, such as increases in the cost of logs and labour, including the wage increases granted by the War Labour Board.

CURRENT SITUATION IN THE CUBAN DRIED FISH MARKET

J. E. O'NEILL, OFFICE OF THE CANADIAN TRADE COMMISSIONER

Havana, June 15, 1943.—During the past several months the fish trade between Canada and Cuba has been restricted to a few shipments sent forward by schooner direct from Canada to Santiago de Cuba. This market consumes a cheaper type of fish than is ordinarily in demand in the Havana market. The retail price established by the local Price Control Board for imported codfish in the latter part of 1942 automatically terminated trade in Canadian codfish with the Havana market, as the ceiling price was too low to cover the cost of importation therefrom. While trade with the Santiago de Cuba market has been spasmodic, as a result of transportation difficulties, it has been possible to maintain it because of the lower cost price of the grades imported, which could be sold at the ceiling price established by the Price Control Board and still leave a narrow margin of profit.

Conditions in the Havana market were brought to the attention of the Price Control Board by this office some time ago, with the result that on June 7 a new law went into effect under which the selling price of imported codfish (bacalao) will be worked out on the basis of landed costs plus 30 per cent, to be divided in the proportions of 10 per cent to the wholesale importer and 20 per cent to the retailer. Thus the retail price will be established for each invoice of fish brought into the Cuban market, and, although business will undoubtedly continue on a very reduced level because of the necessarily high prices of this commodity, nevertheless trade with the Havana market is now possible, and local importers will welcome offers of imperial and large types of dried salt codfish from Canadian exporters.

CONDITIONS IN ARGENTINA IN 1942

J. A. STRONG, CANADIAN COMMERCIAL ATTACHÉ

II

BUILDING CONSTRUCTION

There has been almost unprecedented activity in real estate operations and in building construction during 1942. The building trades have been very active since 1935, but the construction of new office buildings, apartment houses and private dwellings reached the highest level for the decade in the year under review. On the basis 1935 = 100, the index for building permits granted for private buildings stood at 162 at the end of 1942. The value of new construction is estimated at the equivalent of \$300 million, including \$120 millions for public works construction. This building activity has made an important contribution to the high level of employment achieved during the year.

It is estimated that building costs have increased by 43 per cent since the outbreak of the war, largely due to the higher cost of materials. Owing to the large volume of funds available for investment, the low yields from national bonds and the public's desire to diversify their investments, investors are well satisfied to obtain from 5.5 to 6 per cent from this type of investment at the present time.

Building construction in Argentina is almost exclusively of reinforced concrete or of brick and plaster for the cheaper types of private dwellings. Heating facilities are not essential, although all new apartment houses and the better-class modern houses have central heating systems. The Portland cement, the bricks and the cheaper qualities of tiles are all made in Argentina. Argentine plants are now rolling up to one quarter of the requirements in round iron bars from local scrap iron. Spain is to supply 30,000 tons of bars. Brazil has supplied some, and the remainder have been drawn from the large stocks acquired abroad before the scarcity became acute. Ample supplies of copper are now available from Chile for making wire and other copper and bronze products. The United Kingdom still supplies the high-class earthenware bathroom equipment and the best-quality tiles. The medium and lower qualities are made in Argentina. The electric and gas ranges and radiators are all made locally, and only the motors are required from abroad for the electric ice-boxes and for the apartment elevators, in addition to steel cables. Building hardware is made locally and drawn from the remaining stocks of the highest quality hardware previously imported from abroad. Asbestos building-board is now fabricated from Canadian fibre, and the lumber comes from Brazil. Local hardwoods are used for flooring instead of oak and Southern pine from the United States. Consequently the building construction industry is to a great extent independent of foreign sources for its supply of materials.

MANUFACTURING INDUSTRIES

Argentina is generally regarded abroad as an agricultural or pastoral country. Wheat from the pampas and beef cattle fattened on alfalfa the year round are associated with its farm production. The volume of exports of farm products to the United Kingdom and the Continent rose steadily from the early nineties of the last century until 1927-28. This trend has been downward almost ever since, due to restricted markets accompanied by low prices.

Argentina could not afford to import even the minimum of manufactured goods required in the early thirties because there was not sufficient foreign exchange returnable from her exports to pay for them and at the same time provide for external financial services. These services were met, and imports of goods were limited to the amount that could be paid for from the remaining available funds. The industrial development of the country, therefore, received great impetus during this period, and the war has further stimulated local manufacturing industries.

The purchasing power derived from farm production is still the essential factor in the economy of Argentina. A rough official estimate of the value of production, made by the Argentine Central Bank, shows the recent trends in manufacturing and agriculture as follows:—

Estimate of Argentina's Production

	Gross Production			Net Production	
	Agriculture	Livestock	Total	Farm*	Industrial†
	Equivalent in Millions of Dollars				
1935	616.7	350.0	966.7	716.7	433.3
1937	766.6	450.0	1,216.7	950.0	516.7
1939	600.0	433.3	1,033.3	800.0	583.4
1940	516.6	450.0	966.7	733.3	616.7
1942	583.4	583.3	1,166.7	900.0	883.3

* Farm production less materials consumed in process of production and transportation.

† Value less raw materials, packing and fuel used.

There has been an increase of 55 per cent in the volume of industrial production since 1935 and of 16 per cent between 1939 and 1942. The number of industrial workers employed, excluding those in the building trades, reached

its peak in June, 1942. The following table shows the trends in industrial employment since 1939:—

Number of Workers in Argentine Industry

	(Base, 1937=100)			
	1939	1940	1941	1942
	Figures in Thousands			
	103.9	107.9	119.6	130.0
	107.2	110.3	115.1	129.2
Foodstuffs	106.0	104.8	102.3	102.5
Textiles	108.4	111.8	118.0	119.4
Machinery and vehicles	116.6	119.1	121.9	127.7
Metals and manufactures	117.7	121.3	136.3	146.7
Leather and manufactures	114.3	115.4	122.1	134.0
Mining	119.5	116.5	116.6	127.3
Glass and stone	113.8	114.9	115.1	116.7
Chemicals	124.6	128.4	141.9	113.1
Petroleum	109.3	120.6	128.4	134.7
Rubber manufactures				
Paper	445.5	456.2	480.6	512.9

FUEL

The increase in industrial production is also reflected in the fuel situation. The number of calories consumed by industry, transportation and the population generally increased by 17 per cent between 1939 and 1942. Further, in 1939 some 42 per cent of the calories were of foreign origin, whereas only 15 per cent were foreign in 1942. In pre-war years Argentina imported around 3,000,000 tons of coal annually from the United Kingdom and the Continent for the railways (largely British-owned), the electric power and gas companies, and for industrial use. Imports now represent only a small fraction of this former volume, some continuing to arrive from Britain, and the remainder coming from South Africa, Chile, and the United States. Argentina fortunately produces around two-thirds of her petroleum requirements. Fuel oil and gasoline are being rationed, although not drastically as yet. The huge corn surplus, and to a lesser extent flaxseed, linseed oil and oil cake, have greatly eased the fuel situation. The problem is largely one of distribution.

TRENDS IN MANUFACTURING

Manufacturing industries have evolved from the supplying of staple consumer goods fabricated from home-produced raw materials, such as the conversion of domestic wool, cotton fibre, hides and malt barley into the heaviest selling grades of textiles, leather and beer, and the processing of animal products. With the addition of a rayon branch, based on imported wood-pulp, to the existing wearing-apparel industry, including the manufacture of shoes, Argentina now clothes and feeds her own people well, it being necessary to import only the better qualities of textile piece-goods.

Except for certain specialties, the rubber manufacturing industry almost completely meets domestic requirements. This is true also of paints and glassware. Truck and bus bodies, the lighter tillage implements, electric and gas ranges, radiators, steel and copper wire, centrifugal sewer pipes, nails, tacks, wire, etc. are all manufactured in Argentina. Locomotives and railway cars are now being built, except certain specialties and parts such as the steel tires. Elevators and electric refrigerators are made locally, except certain essential parts. Argentina has no heavy engineering industry, so that machinery

and equipment requiring the use of heavy machines for their production are still not made locally, but it is probable that, if the nature of the product is such that any part can be made or assembled in Argentina, the foreign manufacturer will sooner or later have to arrange to have this done locally.

The Argentine Central Bank recently commented on the future of industrial development in Argentina as follows:—

The country will find itself (after the war) in a position wherein a considerable part of the goods consumed by its inhabitants and of those required for its economic activity are produced by its own industrial efforts—there is no reason to continue importing the same goods as before if these are rationally produced at home—but Argentina will still have to import huge quantities of goods, not only because they are needed but also because if we wish to export we must continue to import; therefore the problem does not lie in reducing imports but in changing their composition or, in other words, in reorganizing the import structure so that the country may be able, without damage to its industry, to import to the extent permitted by its exports the many things it needs and does not produce.

The facts must be carefully sifted; however, to separate the good from the weak, unsound or unnecessarily expensive healthy competition will not be long in becoming effective (after the war). There being no need to import in the same proportion as formerly manufactured goods or the materials now produced by national activity, a greater proportion of the exchange (produced by exports) will be available for the importation of the capital goods: railway and city transportation material, automobiles, commercial aviation equipment, industrial and agricultural machinery and other essential materials for the development of the country; the greater the proportion of our foreign exchange devoted to the importation of these capital goods, the less need there will be for the country to obtain additional exchange by means of loans or to resort to foreign capital; if the greater part of the manufactured goods needed for consumption and for normal activity were produced in this country, our imports could, in times of shortage of exchange as experienced in the past, be restricted to a large extent to materials essential to the working of industry and to economic activity as it is to-day for other reasons (the impossibility of obtaining goods from abroad); periods of prosperity when exchange is abundant could be taken advantage of to import the capital goods, which, being unessential, could not be imported when foreign exchange was in short supply; means must be found for keeping the influence of external fluctuations to a minimum.

Argentine manufacturers are making enormous profits in the absence of competition from abroad. The efficient enterprises are establishing reserves, but some of the mushroom industries that have sprung up at the present time will disappear immediately after the war. A shortage or total absence of essential raw materials may place a severe strain on even the most stable enterprises before the end of the war. There seems to be no doubt, however, that the present government has no intention of allowing a flood of imported goods to compete indiscriminately after the war with those of local manufacturing industries that are considered to be on a sound basis and deserving of protection.

Argentina remitted the equivalent of around \$110 million* last year in respect of financial services on foreign capital invested in the country in 1942. The British Empire received 52 per cent of these remittances, including earnings of the British-owned railways, and 45 per cent went to free currency countries, including the United States.

ESSENTIAL MATERIALS

Argentina had acquired large stocks of essential materials before the War and, as occasion has permitted, after mid-1940. However shortages are becom-

* Actually 327 million pesos at rates of 16 and 17 pesos respectively to the pound sterling and at around 4.22 pesos to the United States dollar.

ing apparent, and in some cases these will be critical before the close of 1943 unless new supplies are forthcoming regularly this year. Sweden proved a useful supplier of newsprint, wood-pulp and certain high-grade steels in 1942. Spain continues to ship mainly round iron bars. Brazil has been a large supplier of lumber, cotton textiles and other products. The United Kingdom continues to send a large volume of specified non-scarce commodities, but in 1943 Argentina will be largely dependent on the United States and Canada for many items.

SHIPPING

The Argentine Government acquired a substantial tonnage of merchant shipping in 1941 through the purchase of Italian and Danish steamers interned in Argentina. These vessels are being operated under the Department of Marine.

It is estimated officially that Argentina needed approximately 1,500,000 metric tons of imported essential materials annually before the war. It is expected that cargo space will be available for the importation of 500,000 tons, or one-third of the pre-war figure, in 1943. Increased local production and the recovery of used materials is expected to account for 400,000 tons of the difference while high prices and rationing will have to take care of the missing 600,000 tons of materials.

Goods interchanged with North America will be carried exclusively in Argentine ships in 1943. It is estimated that the state-owned Argentine fleet is capable of bringing 300,000 metric tons of essential materials from the United States and Canada, plus 150,000 tons of coal. It is stated that this 300,000 tons of shipping space may be utilized as follows:—

Essential Materials for Argentina

	1938-40	Imports		Estimates for 1943		
		1941	1942	Total	N.A.	Others
Critical commodities—			1,000 Short Tons			
Iron and steel	705.5	375.5	139.7	93.5	49.5	44.0*
Tinplate	78.8	101.3	66.2	26.4	26.4	....
Copper and bronze	12.4	11.2	14.0	12.1	0.1	12.0†
Tin	0.9	1.1	0.4	0.2	0.2	....
Rubber and goods	14.6	18.0	4.8	0.1	0.1	....
Machinery and vehicles	203.6	73.0	45.1	23.2	13.2	10.0
Arsenic	1.2	1.1	0.3	1.2	0.3	0.9
Formol	0.2	0.1	0.1	0.1	0.1	....
Bichromates and cpds.	0.8	1.1	1.1	0.9	0.9	....
Sub-total	1,018.0	582.4	271.7	157.7	90.8	66.9
Non-critical commodities—						
Sodium bicarbonate	34.4	30.1	24.8	44.0	22.0	22.0‡
Newsprint	146.4	148.2	83.3	79.2	39.6	39.6
Asbestos fibre	3.0	5.5	6.7	8.8	6.6	2.2§
Calcium carbide	9.1	8.2	12.2	11.0	8.8	2.2||
Refractories	25.6	22.7	20.5	11.4	9.1	2.3**
Wood-pulp for paper	43.8	44.0	46.4	44.0	....	44.0¶
Wood-pulp for rayon	1.3	4.2	4.1	4.2	4.2	....
Caustic soda	23.2	16.6	36.6	33.0	16.5	16.5**
Calcium chloride	6.2	5.9	1.9	3.3	3.3	....
Resin	13.2	16.9	13.7	12.1	11.0	1.1
Sub-total	306.2	302.3	250.2	251.0	121.1	129.9
Other commodities	311.7	289.1	239.8	162.0	127.3	34.7
Total	1,635.9	1,173.8	761.7	570.7	339.2	231.5

* Includes 30,000 tons of round iron bars for building construction from Spain and the balance largely from Brazil; † mostly copper ingots and some wire from Chile; ‡ it was planned that this quantity would come from Sweden, but no steamers have left Sweden since January 1, 1943; § from Rhodesia; || Mexico and Brazil; ** United Kingdom; ¶ from Sweden as above.

THIRD OFFICIAL ESTIMATE OF ARGENTINE GRAIN CROPS, 1942-43

Mr. W. B. McCullough, Assistant Commercial Attaché at Buenos Aires, reports under date June 7, 1943, that the third official estimate of the grain crops in Argentina for 1942-43 was announced by the Argentine Department of Agriculture on May 21. According to this estimate the productions of all grains except flaxseed and barley show increases over the 1941-42 crops, wheat of 4.9 per cent, oats 28.9 per cent, rye 7.8 per cent, and birdseed 8 per cent. The estimate for flaxseed is 4.7 per cent less and for barley 5.3 per cent less than last year's figure.

The estimated productions of various grains in 1942-43 are shown in the following table, as well as the total productions in recent years:—

Argentine Grain Production

	Wheat	Flaxseed	Oats	Barley	Rye	Bird-seed Short Tons
	Bus.	Bus.	Bus.	Bus.	Bus.	
1942-43	235,136,000	60,039,250	37,607,200	16,079,000	5,940,933	30,800
1941-42	224,114,000	62,922,000	29,182,500	16,994,100	5,511,800	28,600
1940-41	299,431,000	59,842,400	34,986,575	31,645,770	9,460,611	33,220
1939-40	130,720,920	42,535,484	52,048,610	33,349,773	14,566,900	31,350
5-yr. av. 1937-38 to 1941-42..	248,190,897	56,678,194	42,894,384	24,190,275	9,865,098	32,742

IMPORTS INTO THE UNITED STATES OF PRODUCTS UNDER THE QUOTA PROVISIONS OF THE TRADE AGREEMENT

The following table, prepared by the Canadian Trade Commissioner's office in New York from preliminary figures issued by the Treasury Department at Washington, D.C., shows the standings of the quotas provided for under the Canada-United States Trade Agreement (signed November 17, 1938) up to May 29, 1943.

	Unit	Total Quota	Reduction in Duty from 1930 Tariff Act	Used by Canada to May 29, 1943 Quantity Per Cent
Whole milk	Gal.	3,000,000	6½ to 3¼c. per gal.	3,194
Cream	Gal.	1,500,000	56½ to 28¼oc. per gal.	366
Filletted fish, fresh or frozen: cod, haddock, hake, pollock, cusk and rosefish	Lb.	15,000,000	2½ to 1¼c. per lb.	5,018,783 33.4
Seed potatoes	Bu.	1,500,000 beginning Sept. 15, 1942	75 to 37½c. per 100 lb.	1,092,745 72.9
White or Irish potatoes, other than seed potatoes	Bu.	1,000,000 beginning Sept. 15, 1942	75 to 60c. per 100 lb. Dec. 1 to end of Feb.; 37½c. Mar. 1 to Nov. 30 Free	18,121 1.8
Red cedar shingles	Sq.	2,506,072		616,901 24.6
Silver or black foxes, furs and articles:				
*Foxes valued under \$250 each and whole furs and skins . . .No.		100,000 beginning Dec. 1, 1942	50 to 35% ad val.	45,658† 45.6
Tails	Piece	5,000 beginning Dec. 1, 1942	50 to 35% ad val.	462 9.2

* The duty on live foxes of 15 per cent ad valorem, the rate under the Tariff Act of 1930, is not affected by the Agreement.

† Imports from Canada of 45,658 foxes valued at less than \$250 each and whole furs and skins is for the period December 1, 1942, to April 30, 1943. For the period May 1 to November 30, 1943, the United States has set the quota allotment at 33,229 for all countries, and for the period May 1 to 29, 1943, imports totalled 14,835. However, there is no indication in the statement by Treasury Department as to what proportion of these imports were supplied by Canada.

TARIFF CHANGES AND TRADE REGULATIONS

Australia

CHANGES IN IMPORT LICENSING REGULATIONS

Mr. K. F. Noble, Acting Trade Commissioner at Sydney, writes that the Australian licensing regulations for imports from non-sterling countries, of watches and clocks and movements therefor, referred to in *Commercial Intelligence Journal* No. 2054 (June 12, 1943), page 493, have been further amended. With effect from April 20, 1943, wristlet watches, pocket watches and pocket-watch cases may be imported up to $33\frac{1}{3}$ per cent of imports during the base year ended June 30, 1939, and watch movements may be imported up to $66\frac{2}{3}$ per cent of base year imports. Importers may, if they so desire, group the reconstituted quotas of these goods, provided the resultant total is utilized to import either (a) watch movements and/or watch movement parts up to 100 per cent or (b) complete watches up to 75 per cent. If an importer elects to utilize a percentage for importing complete watches, he must utilize the remainder of the allocation, i.e. 25 per cent or more, to import watch movements and/or watch parts. The present quota of 50 per cent of base year imports allocated to unspecified clocks and the 90 per cent quota for clock movements may be grouped for the purpose of importing alarm clocks.

With effect from May 8, 1943, imports of replacement parts for cash registers and dictating machines from non-sterling sources have been placed under Administrative Control.

Trinidad

REQUIREMENTS OF BOOTS AND SHOES

The Trinidad Control Board, in a notice of June 1, estimated Trinidad's requirements of boots and shoes at 650,000 pairs, and stated that Canada had made an allocation of 270,309 pairs and the United States 390,000 pairs for release in 1943. The notice said that the United Kingdom had made no allocation, and that licences to import from that source should be regarded as cancelled.

STATEMENT OF SALES OF CANADIAN SARDINES

Agents of shippers of Canadian sardines were requested to submit before June 19 a statement showing sales of Canadian sardines to Trinidad during 1940 and 1941 to be used as the basis for the allocation of quotas for the Food Controller's 1943 purchases of canned fish.

Bahamas

TARIFF CHANGES

An amendment to the Bahamas Customs tariff, effective December 10, 1942, and assented to on March 31, 1943, reduced the general rate on whisky underproof in bottles from 58s. 4d. per dozen reputed quarts to 43s. The British preferential rate of 35s. per dozen reputed quarts was not changed. Effective the same date, the duty on cinema films more than 5,000 feet long and intended for commercial exhibition, formerly dutiable at 10 per cent ad valorem British preferential and 20 per cent ad valorem general, was changed to £1 10s. per film British preferential and £3 general.

Another amendment assented to on March 31 placed the following articles on the duty-free list: raffia; cattle, sheep, goats, swine, fowl, quails, partridges.

and pheasants imported for breeding or dairy purposes; and tools, machines, machinery, equipment or apparatus imported for dairy or agricultural purposes. These items were formerly dutiable at varying rates.

British Guiana

LICENCES FOR IMPORTS OF DEHYDRATED VEGETABLES AND FRUITS

On May 31 the British Guiana Controller of Supplies notified importers of foodstuffs that applications to import limited quantities of dehydrated vegetables and fruits will be considered. Importers wishing to be allotted a quota for the period July 1 to December 31, 1943, were given until June 3 to file their applications.

Antigua

DUTY ON RUBBER FOOTWEAR REDUCED

By a resolution of the Antigua Legislative Council of May 12, 1943, the duty on rubber footwear of all descriptions is reduced to 5 per cent ad valorem British preferential tariff and 10 per cent ad valorem general tariff. Formerly, rubber boots and shoes and canvas boots and shoes with rubber soles were dutiable at 10 per cent ad valorem British preferential rate and 10 per cent ad valorem plus 1s. per pair general rate, and the duty on leather boots and shoes with rubber soles was 10 per cent ad valorem British preferential tariff and 10 per cent ad valorem plus 2s. per pair general tariff.

United States

CANADIAN IN-BOND SHIPMENTS AT NEW YORK

With reference to the notice published in *Commercial Intelligence Journal* No. 2052 (May 29, 1943), page 446, concerning the period during which in-bond shipments may remain at New York without customs entry, Mr. D. S. Cole, Senior Canadian Trade Commissioner in the United States, recommends that Canadian firms affected by these regulations make immediate application to the Commissioner of Customs, Treasury Department, Washington, requesting postponement of sale of the merchandise in question.

Argentina

EXPORTS OF VEGETABLE OILS AND OIL SEEDS PROHIBITED

Mr. W. B. McCullough, Assistant Commercial Attaché, at Buenos Aires, advises that, under a decree of June 1, 1943, the export of the following products from Argentina is prohibited: peanuts, peanut oil, cotton seed, cotton-seed oil, rape seed and rape-seed oil. This action is complementary to previous decrees prohibiting the export of sunflower seed, sunflower-seed oil, all oil cakes and other residues from manufacturing vegetable oils.

Mexico

EXPORT CONTROL OF FOODSTUFFS

With reference to a notice published in *Commercial Intelligence Journal* No. 2045 (April 10, 1943), page 301, concerning the establishment in Mexico of a Consortium designed to acquire reserves of and fix prices for essential foodstuffs, Mr. C. S. Bissett, Canadian Trade Commissioner at Mexico City, writes under date June 11, 1943, that by a Decree effective June 3, the Consortium was authorized to accumulate reserves to be distributed at strategic points

throughout the country of the following foodstuffs: rice, 9,000 tons (equivalent to 15 per cent of annual consumption); coffee, 3,000 tons (12 per cent); sugar, 40,000 tons (10 per cent); sesame seed, 5,000 tons (10 per cent); peanuts, 3,000 tons (10 per cent); chickpeas, 8,000 tons (8 per cent); potatoes, 4,000 tons (equivalent to 5 per cent of annual consumption).

The above regulatory reserves are to be established and maintained over and above the normal quantities required to satisfy the domestic consumption of each. These reserves will be thrown on the market as required to break speculation and hoarding and to prevent undue price raises. While the domestic needs are being satisfied and the above reserves of each of these products are being accumulated or re-accumulated, the exportation of them is prohibited. When this has been accomplished, exportation of these foodstuffs may again be resumed under export licence with the consent of the Consortium. All products, processed or semi-processed, in which any of the above foodstuffs is incorporated, however small the percentage thereof, are similarly subject to the terms of this Decree.

The Consortium was originally given the power to export any surplus available, and it is now probable, although not so stated, that the trading company which is one of the four members of the Consortium, will be delegated in practice to be the sole exporter of the above-noted products. Moreover, the Decree indicates that other products will be brought under similar control from time to time.

Shipments of the above products, particularly peanuts, which were already en route to the Mexican border on June 3 were not exempted from the operation of the Decree, and accordingly such shipments were not allowed to cross the border. Mexican exporters having contracts with Canadian importers for any of the above items will therefore be unable to complete such contracts at present and until the export permits which they held and were automatically cancelled can again be renewed. Moreover, such permits will in the future be subject to cancellation without notice whenever it may be found necessary to re-establish depleted reserve stocks.

EXCHANGE CONDITIONS IN BOLIVIA

M. J. VECHSLER, CANADIAN COMMERCIAL ATTACHÉ

Santiago, May 28, 1943.—A plentiful supply of dollar exchange continues to be available in Bolivia for all essential and necessary purposes.

Under date February 13, 1943, in accordance with a government decree, the Central Bank of Bolivia fixed the following foreign exchange rates: United States dollar, 42·42 bolivianos; pound sterling, 170·32 bolivianos; Argentine pesos, 10·20 bolivianos; Brazilian cruzeiro, 3·35 bolivianos; Peruvian sol, 6·60 bolivianos. The banks' commission is included in each of the foregoing rates.

The present dollar quotation is an appreciation of the boliviano from 46 to the dollar, at which it has stood for some time past. The cross quotations in other currencies are in relation.

Among Bolivian measures introduced in an effort to stem inflation, the following are noteworthy:—

1. New note issues are to be authorized solely for the exchange of deteriorated notes and credits made to the State within fixed budgetary limits. However, the Minister of Finance may make supplementary issues, when such are considered necessary, which are to be retired as exchange is sold to the public.

2. Gold and foreign exchange may be purchased with National Treasury or state department funds.

3. Bank credit is to be reduced.

4. Funds for public works are to be scrutinized with regard to their technical outlook.

5. Profits accruing to the State through the mutilation or loss of the circulating medium are to be applied as amortization of war obligations.

6. Bank savings departments must maintain with the Central Bank a 10 per cent cash holding against deposits.

FOREIGN EXCHANGE QUOTATIONS: WEEK ENDING JUNE 21, 1943

The Foreign Exchange Division of the Bank of Canada has furnished the following statement of the nominal closing quotations for all the principal exchanges for the week ending Monday, June 21, 1943, and for the week ending Monday, June 14, 1943, with the official bank rate:—

Unit	Present or Former Gold Parity	Nominal Quotations in Montreal Week ending June 14	Nominal Quotations in Montreal Week ending June 21	Official Bank Rate
Great Britain. Pound	4.8666			
	Buying	\$4.4300	\$4.4300	2
	Selling	4.4700	4.4700	—
United States. Dollar	1.0000			
	Buying	1.1000	1.1000	1
	Selling	1.1100	1.1100	—
Mexico Peso	.4985	.2283	.2284	4
Jamaica Pound	4.8666			
	Bid	4.4200	4.4200	—
	Offer	4.4800	4.4800	—
Other British West Indies. Dollar	1.0138	.9313	.9313	—
Argentina. Peso (Paper)	.4245			
	Official	.3304	.3304	3½
	Free	.2786	.2781	—
Brazil. Cruzeiro (Paper)	.1196			
	Official	.0673	.0673	—
	Free	.0569	.0569	—
British Guiana Dollar	1.0138	.9313	.9313	—
Chile Peso	.1217			
	Official	.0574	.0574	3-4½
	Export	.0444	.0444	—
Colombia. Peso	.9733	.6358	.6358	4
Venezuela Bolivar	.1930	.3330	.3330	—
Uruguay. Peso	1.0342			
	Controlled	.7307	.7307	—
	Uncontrolled	.5870	.5870	—
South Africa. Pound	4.8666			
	Bid	4.3862	4.3862	3
	Offer	4.4590	4.4590	—
Egypt Pound (100 Piastres)	4.9431			
	Bid	4.5380	4.5380	—
	Offer	4.5906	4.5906	—
India. Rupee	.3650	.3359	.3359	3
Australia Pound	4.8666			
	Bid	3.5300	3.5300	3
	Offer	3.5760	3.5760	—
New Zealand. Pound	4.8666			
	Bid	3.5440	3.5440	1½
	Offer	3.5940	3.5940	—

CONDENSED LIST OF PUBLICATIONS ISSUED BY THE DEPARTMENT OF TRADE AND COMMERCE

Applications for publications in this list, together with remittances therefor, should be addressed to the King's Printer, Government Printing Bureau, Ottawa, marked "Attention Chief Clerk of Distribution."

GENERAL

Annual Report of the Department of Trade and Commerce.—A summary of the activities of each of its Branches, including the Foreign Relations Division; the Export Permit Branch; the Commercial Intelligence Service; Foreign Tariffs Division; Dominion Bureau of Statistics; Board of Grain Commissioners; Weights and Measures Inspection Services; Electricity and Gas Inspection Services; Publicity; Exhibition Commission; Steamship Subsidies; Precious Metals Marking Inspection; also a Statement of Revenue and Expenditure. (Price 25 cents.)

Annual Report of the Board of Grain Commissioners.—The administration of the Canada Grain Act during the calendar year, including reports of such officers as the Registrar, Chief Inspector, Chief Weighmaster and General Manager of the Canadian Government Elevators, prepared in accordance with Section 23 of the Act. (Price 25 cents.)

Annual Report of Electricity and Gas Inspection Services.—A summary of the work of these services, with statistics of revenue and expenditure, also a statement showing meters, electrical energy generated for export, and lists of companies registered under the Electricity Inspection Act. (Price 50 cents.)

Annual Report of Dominion Grain Research Laboratory.—Details of investigations carried out in the Laboratory relating to qualities of Canadian wheat; also investigations on inquiries to further the sale of Canadian wheat and flour; milling and baking characteristics of the last crop; various forms of co-operation with universities, experimental farms and other government institutions, producers, milling and grain organizations in Canada and abroad; investigations relating to grading system, etc. (Price 10 cents.)

List of Grain Elevators.—Details of all grain elevators in Western and Eastern Divisions, also licensed grain commission merchants, track buyers of grain and grain dealers, and summary of grain loading platforms in Western Division. (Price 50 cents.)

PUBLICATIONS OF THE COMMERCIAL INTELLIGENCE SERVICE

Commercial Intelligence Journal.—Published weekly in English and French, containing reports of Trade Commissioners and other commercial information. The annual subscription in Canada is \$1 and outside Canada, \$3.50.

Publications of the Commercial Intelligence Service are compiled with a view to furnishing Canadian exporters with information respecting the possibilities for the sale of Canadian goods abroad, the nature of the competition to be encountered, Customs requirements, etc., and are not intended for general distribution. The publications available include leaflets giving invoice requirements and a series on Points for Exporters, both covering countries included in the territories assigned to Trade Commissioners.

From time to time special reports are issued separately, which subscribers to the Commercial Intelligence Journal are entitled to receive free of charge. In all other cases their distribution is controlled by the King's Printer, who fixes a price therefor.

PUBLICATIONS OF THE DOMINION BUREAU OF STATISTICS

The following is a condensed list of publications of the Dominion Bureau of Statistics:—

Census of Canada.

Miscellaneous statistics respecting the following: Business; Education; Employment; Finance (Provincial and Municipal); Justice; Transportation, including railways and tramways, express, telegraphs, telephones, water, etc.; Production, including agriculture, furs, fisheries, forestry, mining, construction and manufactures; Vital: births, deaths, marriages, divorces; institutions; hospitals, crime.

Canada, 1943. (Price 25 cents.)

Canada Year Book. (Price \$1.50.)

Trade (Internal), prices, cost of living, etc. (Price \$1 per annum.)

Monthly Review of Business Statistics. (Price \$1 per annum.)

News Bulletin, Daily (Price \$1.50 per annum). Weekly (Price \$1.00 per annum.)

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C. M. CROFT, Director

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Melbourne: **FREDERICK PALMER**, 44 Queen Street, Melbourne, C.I. (Territory includes States of Victoria, South Australia, Western Australia, and Tasmania.) *Cable address, Canadian.*

Brazil

L. S. GLASS, Commercial Attaché. Address for letters—Caixa Postal 2164, Rio de Janeiro. Office—Ed. Metr pole, 7th Floor, Av. Presidente Wilson 165. *Cable address, Canadian.*

British India

PAUL SYKES. Address for letters—P.O. Box 886, Bombay. Office—Gresham Assurance House, Mint Road, Bombay. (Territory includes Burma and Ceylon.) *Cable address, Canadian.*

British West Indies

Trinidad: **G. A. NEWMAN**. Address for letters—P.O. Box 125, Port of Spain. Office—Colonial Life Insurance Building. (Territory includes Barbados, Windward and Leeward Islands, British Guiana, and Dutch Guiana.) *Cable address, Canadian.*

Jamaica: **F. W. FRASER**, P.O. Box 225, Kingston. Office—Canadian Bank of Commerce Chambers. (Territory includes the Bahamas and British Honduras.) *Cable address, Canadian.*

Chile

M. J. VECHSLER, Commercial Attach . Address for letters—Casilla 771, Santiago. Office—Bank of London and South America Ltd. Building (Territory includes Bolivia.) *Cable address, Canadian.*

Colombia

M. T. STEWART, Acting Trade Commissioner. Address for letters—c/o Royal Bank of Canada, Bogota. (Territory includes Venezuela, Republic of Panama, the Canal Zone, Nicaragua, Costa Rica, and the Netherlands West Indies).

Cuba

J. L. MUTTER. Address for letters—Apartado 1945, Havana. Office—Royal Bank of Canada Building, Calle Aguiar 367, Havana. (Territory includes Haiti, the Dominican Republic, and Puerto Rico.) *Cable address, Canadian.*

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RICHARD GREW. Address for letters—P.O. Box 1770, Cairo. Office—22 Shari Kasr el Nil, Cairo. (Territory includes the Sudan, Palestine, Cyprus, Iraq, Syria, Iran and Turkey.) *Cable address, Canadian.*

Ireland

E. L. MCCOLL, 66 Upper O'Connell Street, Dublin, Ireland (*cable address, Canadian*); and 36 Victoria Square, Belfast, Northern Ireland.

Mexico

C. S. BISSETT. Address for letters—Apartado Num. 126-Bis, Mexico City. Office—Edificio Banco de Londres y Mexico, Num. 30, Mexico City. (Territory includes Guatemala, Honduras, and Salvador.) *Cable address, Canadian.*

CANADIAN GOVERNMENT TRADE COMMISSIONERS—*Con.*

Newfoundland

R. P. BOWER, Acting Trade Commissioner, Circular Road, St. John's. *Cable address, Canadian.*

New Zealand

C. B. BIRKETT, Acting Trade Commissioner. Address for letters—P.O. Box 33, Auckland. Office—Yorkshire House, Shortland Street, Auckland. (Territory includes Fiji and Western Samoa.) *Cable address, Canadian.*

Peru

W. G. STARK, Acting Trade Commissioner. Address for letters—Casilla 1212, Lima. Office—Edificio Boza, Carabaya 831, Plaza San Martin, Lima. (Territory includes Ecuador.) *Cable address, Canadian.*

South Africa

Cape Town: J. C. MACGILLIVRAY. Address for letters—P.O. Box 683. Office—New South African Mutual Buildings, 21 Parliament Street. (Territory includes Cape Province and Southwest Africa, Natal, Tanganyika, Kenya, Uganda, Mauritius, Madagascar and Angola.) *Cable address, Cantracom.*

Johannesburg: H. L. BROWN. Address for letters—P.O. Box 715. Office—Mutual Buildings, Harrison Street. (Territory includes Transvaal, Orange Free State, the Rhodesias, Mozambique or Portuguese East Africa, Nyasaland and the Belgian Congo.) *Cable address, Cantracom.*

United Kingdom

London: FREDERIC HUDD, Chief Trade Commissioner in the United Kingdom, Canada House, Trafalgar Square, S.W.1. *Cable address, Sleighing, London.*

London: J. A. LANGLEY, Trade Commissioner, Canada House, Trafalgar Square, S.W.1 (Territory includes Home Counties, Southeastern Counties, and East Anglia; also British West Africa.) *Cable address, Sleighing, London.*

London: W. B. GORNALL, Fruit Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Canfrucum.*

London: G. R. PATERSON, Animal Products Trade Commissioner, Canada House, Trafalgar Square, S.W.1. *Cable address, Agrilson.*

Liverpool: A. E. BRYAN, Martins Bank Building, Water Street. (Territory includes North of England, Lincolnshire, North Midlands, and North Wales.) *Cable address, Canadian.*

Bristol: JAMES CORMACK, Northcliffe House, Colston Avenue. (Territory includes West of England, South Wales, and South Midlands). *Cable address, Canadian.*

Glasgow: G. B. JOHNSON, 200 St. Vincent Street. (Territory covers Scotland.) *Cable address, Cantracom.*

United States

Washington: H. A. SCOTT, Commercial Attaché, Canadian Legation.

New York City: D. S. COLE, Senior Trade Commissioner in the United States, British Empire Building, Rockefeller Center. (Territory includes Bermuda.) *Cable address, Cantracom.*

Chicago: M. B. PALMER, Tribune Tower, 435 North Michigan Avenue. *Cable address, Canadian.*

Los Angeles: T. J. MONTY, Acting Trade Commissioner, Associated Realty Building, 510 West Sixth Street. *Cable address, Canadian.*

Note.—Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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